FINANCIAL TIMES



Weekend Section 2



The salmon



wedding of the year



Civilised. tolerant and verv wet



Mystery man on Italy's

D8523A

WEEKEND FEBRUARY 18/FEBRUARY 19 1995

Brussels and Tokyo deadlocked on car imports to Europe

The European Commission and Japan concluded two days of discussions on export quotas of Japanese cars without agreement on Japanese demands for an increase in the agreed limit of its exports to the European Union. Tokyo also said it would resist demands from Washington for an increase in the voluntary targets for purchases of US vehicle parts by Japanese car manufacturers. Japan backs US in China copyright war, Page 3

Smokers win class action ruling: Lawyers representing millions of present and former smokers in the US won permission from a New Orleans court to bring a class action suit against US ciga-rette manufacturers claiming compensation for nic-otine addiction. The plaintiffs have said they may seek damages of up to \$50bn.

*** * * · · ·

177

rthquake low

Biotech reports cancer research setback: UK biotechnology company British Biotech saw more than £70m (\$101m) wiped off its market value after announcing a serious setback in the development of a cancer treatment. Page 5; Lex, Page 20

Uister exclusion orders lifted: The UK government attempted to give the Northern Ireland peace process a final push before today's Anglo-Irish talks in Dublin by lifting 10 exclusion orders under the Prevention of Terrorism Act. Page 20

Groupe Bull in the black: Groupe Bull, the French computer manufacturer which is being privatised, returned to profit at the operating level in 1994, and is forecasting a positive net result for

Mandela promises attack on anarchy: South African president Nelson Mandela promised a crackdown on anarchy, the worsening crime rate, racism, corruption and violent action by a minority of trade unionists. Page 3

Singapore expects summit with EU: Goh Chok Tong, Singapore's prime minister, said a summit between the European Union and the Associa-tion of South-east Asian Nations is likely to be held this year. Page 3

T&N takeover bid faces rejection: Engineering group T&N suffered a setback in its bid to become the world's leading piston manufacturer when the German cartel office said it would probably reject the UK company's planned takeover of German components group Kolbenschmidt. Page 20

Trading slows as investors watch US dollar UK equities made an

FT-8E 100 Index 3,100 9,090 3.080 3,060 3,050 43

tors weighed the Dow's rise to a new peak overnight against the dollar's continued troubles Within a short time the FT-SE 100 Share Index had been 10 points down and three points up, but there was little heart in the market and share prices soon began to drift downwards. The Footsie closed 6.9 points off at 3,044.2, 2.1 per cent off on

uncertain start as inves

the week. Currencies, Page 17; Markets, Weekend

SSAB reports record profit: Improved demand and a rise in prices for steel in Europe lifted Swedish steel group SSAB to a record annual pre-tax profit of SKr2.14bn (\$291.1m). Page 6

Banca di Roma to take over BNA: Banca di Roma group is to take control of the loss-making Banco Nazionale dell'Agricultura in a deal which will create the largest banking organisation in Italy, with assests and Habilities of more than L190,000bn (\$118.6bn). Page 6

Northern Electric launches defence: Northern Electric launched a surprise defence to the hostile \$1.2bm (\$1.9bm) bid from engineering company Trafalgar House, which could unleash a radical financial restructuring of the electricity industry. Page 20 and Lex

Eurotunnel falls to block duty-free sales: Eurotunnel, which operates Channel tunnel rail services between the UK and France, lost its legal battle to stop duty-free sales on cross-Charmel ferries and aircraft. Page 4

Thieves ransack UK transport ministry: Police launched an investigation into the theft of computer equipment following a break-in at the Department of Transport in London and the ransacking of offices on the floor occupied by secretary of state Brian Mawhinney.

Companies in this issue Bence di Roma 5 Motorola 5, 20 Norcros British Blotech 5 Northern Electric Cheitenham and Glouc 5 Procter & Gamble Denka Business 5 Rathbone Bros EBC 1 SSAB 4 Sega Euroturane 6 Setta 5 SmithKilne Beecha Fat Choice Holidays 5 Southern Business Glexo A TAN Groupe Bull

20 Trafaiger House

5 Warburg (SG)

5 Wellcome Group

6 Wellcome Trust

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Kolbenschmidt

Laurence Keen

Lloyds Benk

McDonnell Douglas

Electrolux to set up Europe-wide works council

By Robert Taylor in London

Electrolux, the world's leading household appliances manufacturer, has agreed to set up a consultative works council to cover all 60,000 employees across its European plants, including those in the UK.

The Swedish-owned company. part of the Wallenberg family empire, and unions affiliated to the European Metalworkers Federation are expected to ratify the six-year agreement next month.

Europe by a global corporation. It runs counter to the British government's strategy of trying to exclude the UK from European Union social policies that it believes threaten competitiveness. Mr Mike Regan, the company's UK human resources director, who led the management side of the negotiations, said: "It is an up-to-date system to meet our competitive circumstances

The deal is by far the largest of fits in with our company culter, under the new European its kind so far negotiated in ture."

He said there was never any question of excluding UK employees from the works council, in spite of the UK government's optout from the social chapter of the Maastricht treaty.

Over the next few months - to the embarrassment of the British government - UK and foreignowned transnational companies are expected increasingly to announce works councils with for the rest of the century and it British employees sitting on

gained a sensible agreement which meets all our requirements Electrolux has operations in 21 European countries. Its main pro-duction facilities are in Sweden, Italy, the UK, Germany and

Spain. About 8,000 workers are employed at Electrolux's UK

Mr Charlie McKenzie, the

AREU engineering union official responsible for negotiating with Electrolux, said: "We have bar-

15,000 in Sweden. The proposed works council will meet for the first time in the autumn. It will consist of 22 employee representatives, nominated from the company's current Europe-wide workforce, who will each serve for three

The new body will meet annually, but special meetings may be called. Management representatives will lead the meeting and co-ordinate its arrangements.

The agreement says the council will provide "a forum for the provision of information from group management". Its discussions will cover the group's overall business performance, including discussion of mergers and acquisitions strategy, marketing, and development of new products.

The company will train the employee works council representatives in English as well as in business, finance and accountancy. It will fund all the operations of the works council.

No sign of Fed intervention as Italy acts to support lira

D-Mark stronger as dollar drops to two-year low

The dollar fell to its lowest level in over two years yesterday as the D-Mark continued to reign supreme on the foreign exchange The strength of the D-Mark

also drove other European cur-rencies lower, with the Italian lina sinking to a low of L1,087 against the D-Mark. For the second day running. the central banks of Portugal and

There was some support for the dollar from the Bank of Japan, but no sign of the US Federal

Reserve or Germany's Bundes-bank intervening in the markets. Tonda wakitani arday, 1/12/94-100

at DM1.4887, down from DM1.4914. Earlier it touched a low of DM1.4780. The D-Mark remained in favour as investors continued to seek refuge in the relative safety of the German currency. Other European currencies have been hit by concern about political risk and the dollar is being weighed down by continued fears of financial instability in Mexico.

Markets are concerned that the Italy stepped in to support their US will have to foot the bill for any Mexican rescue exercise. The dollar is also suffering from perest rates may have reached a plateau, while German rates are set

Tride weighted index, 1/12/94-100

lished early in the day when news emerged that a senior Span-ish official would face charges over alleged "dirty tricks" activi-ties against government oppo-

Market jitters worsened when the lira went into what one dealer described as "virtual free fall" before the Bank of Italy stepped in to support it. Trading slowed later in the day ahead of a long weekend in the US where Monday is a public holiday.

Mr Mike Rosenberg, manager

of international fixed income earch at Merrill Lynch in N York said: "As long as there is the risk that the Fed might come in, a lot of people will be ry about moving out of the Sterling had a steady day, with

its trade weighted index finishing

unchanged at 87.1 It was slightly weaker against the D-Mark, at DM2.3463, from DM2.3506. Against the dollar it closed unchanged at \$1.5761.

Page 2: Heads the D-mark wins; Lira slides, Mexico may revise economic package, US trade figures; Currencies, Page 10; World stocks, Page 15; London stocks,

Former ministers join battle over UK's stance on Europe

the Kremlin that a dangerous gap had emerged between the country's leaders and its people.

By Robert Peston in London

Former UK Conservative ministers yesterday entered the battle over whether the country should join a single European currency as current ministers obeyed the prime ministers' edict to refrain from further specula-

The most emotive speech was by Mr Norman Lamont, the Eurosceptic former chancellor of the exchequer whose opinions are the opposite of those of Mr Kenneth Clarke, the current chancellor. Mr Clarke is thought

Mr Major's cabinet dressing-down on Thursday.

Alexander Solzhenitsyn. Nobel Prize winning novelist, called yesterday for the strengthening of Russia's

local democratic institutions. Watched by President Boris Yeltsin, Mr Solzhenitsyn told a conference at

Mr Lamont, speaking at the Oxford University's Oxford Union, made personal attacks on Mr Clarke and Mr Douglas Hurd, the foreign secretary who, like the chancellor, is a passionate believer in the importance of the UK's membership of the European Union.

Mr Lamont said the supposed economic benefits of EU membership had been hugely exaggerated and the costs understated by EU supporters. Britain should

Fidelity International Investor Service

Trade at a

discount in

to have been the main target of step back from full EU membership, if the rest of the EU were to go for monetary union and closer political ties.

Whether ... Britain remains a full member of the European Union or the Economic Area is a secondary issue," he said. A stout defence of Mr Clarke was delivered last night, how-

ever, by Sir Norman Fowler, former chairman of the Conservative party, who believes the government should commit itself

Battle lines drawn, Page 4

Strike threatened as German metal union rejects talks offer

The prospect of the first strike in Germany's engineering industry for 11 years loomed nearer yesterday as the IG Metall trade union brusquely rejected the employers' offer to hold last-minute talks this weekend.

"Gesamtmetall [the engineer ing employers' federation] has rejected the last chance for an agreement," said Mr Klaus Zwickel, head of the union. A strike was now inevitable, he

d He called the employers' offer of immediate talks a provo-His comments reflected growing frustration within IG Metall,

which has received no reply from

Gesamimetall to its 6 per cent

pay claim. The union has called a

strike ballot on Monday in the

start next Friday after votes had been counted. An acceptable offer from employers might still avert a strike in an industry that sets the pace for other wage deals. But

ers as BMW, Audi, Siemens and MAN. It said the strike could

anger has arisen on both sides because of their tactics. Employers have so far avoided naming a figure, fearing the union would then ignore the costreduction measures it is seeking. such as more flexible working

hours and practices. "Unfortunately, the employers have overdone this strategy, raising anger in the union's camp," said Mr Stefan Schneider, a Frankfurt-based economist with S.G. Warburg, the UK investment bank. "A settlement without a fully fledged, long-lasting strike is still the most likely outcome."

Gesamtmetall made its offer of weekend talks yesterday, saying it would then put forward concrete pay proposals. But it named no figure and IG Metall, which has 2.6m members, said it would not attend talks.

Employers have also sought against union resistance, to delay the introduction this October of the agreed 35-hour week. Mr Hans-Joachim Gottschol, the employers' leader, said that would add 2.8 per cent to the

annual wage bill. IG Metall said it chose Bavaria for its strike vote - starting on Monday with the result announced on Wednesday because employers there had shown a particularly aggressive stance over non-pay aspects of a

Continued on Page 20

south German state of Bavaria, which includes such big employ-But he thought it improbable STOCK MARKET INDICES (-6.9) , # US lunchtime RATES E DOLLAR 3,044.2 New Yorklunchtime Federal Funds: 511% New Yorklunchtime: FT-8E Burotrack 100.1,822.06 3-m Trees Billis: Yld .. 6.842% 1.58 FFr 5.1856 Long Bond 10013 FT-SE-A All-Share ... 1,505.B 1.5761 (1.5761) Y 97.325 DM 2.3483 (2.3506) London; (Argus) Dow Jones Ind Ave 3,979.45 8.1818 (8.1718) DM 1.4887 (1.4914) 1.984 (1.985) FFr 5.1786 (5.1847) (-1.4) Brent 15-day (Apr)..... \$17.11 SF: 1,2589 (1,2596) 153,665 (153,741) Y E LONDON MONEY \$378.6) £ index 87.1 (asme) \$ index 94.5 (same) Tokyo close Y 97.64 ... 64% New York CornexApr\$980.6 3-me interbank Life long git fut ... Mar 10132 (Mar1013) London . \$378.4 CONTENTS

Man in the Nows ... London SE . LSE Dealings Intl. Compar West XVILXVIII FT-SE Actuarités Money Marksta .

FT World Actuarie

Well Street Sources ... **Weekend FT** Section I

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LIK News ..

Chirac makes

jobs keynote

of campaign

Mexico may revise economic package

By Leslie Crawford in Mexico City and George Graham in

US and Mexican officials continued their talks in Washington yesterday in an attempt to wrap up the details of the \$20bn of swaps and loan guarantees the US is to contribute to Mexico's \$50bn financial rescue package.

headed by Mr Robert Rubin, US Treasury secretary, and Mr Guillermo Ortiz, Mexican finance minister, were due to carry on over the weekend. Mexican officials said Mr Ortiz would announce a revi-

ations on the \$20bn US aid package were completed. The officials admitted that the economic forecasts included in January's letter of intent to the International Monetary Fund, including an inflation target of 19 per cent for 1995 and an economic growth rate of 1.5 per cent,

were unlikely to be met.

"Fiscal policy will have to be tighter in order to counter the inflationary effect of the weaker peso," one official said. "This will imply further cuts in government expenditures and a revision of public sector tar-

The officials said part of the negotiations in Washington centred on what funds the US

Treasury and the Federal Reserve would be willing to make available to allow Mexican authorities to defend the value of the peso.

"We may be in a position to strengthen the value of the peso through a dirty float [intervention in the market]," the government official said. Until now, the Bank of Mexico has used the credit

lines extended by the US Treasury exclusively to cancel the short-term, dollar-denominated debt known as Tesobonos. Mexico's liquidity problems.

The quality of the oil collateral Mexico was offering in exchange for about \$10bn of the total US aid package were also being discussed. US negotiators were understood to be questioning the security of Mexican oil collateral given the debt obligations

of the state oil company

The US is seeking a mecha nism to ensure that Mexican oil revenues would be diverted through an account at the New York Federal Reserve Bank to reimburse the US government if Mexico should default on any of its obligations under the

The Mexican government argues that Pemex's oil revenues would be sufficient to meet both its debt obligations and the guarantees demanded

ton insisted that only legal and technical details remained to be settled; the overall package, comprising the US's \$20bn along with \$17.8bn from the International Monetary Fund and \$10bn from the Bank for International Settlements, was

"The package is absolutely a done deal. The commitments are all there. Nobody is backing off from the commitments," said one international financial official.

The Mexican stock market was down 3.41 points in midday trading yesterday as traders took advantage of a strengthening peso to unload shares. The currency recovered

Peso

Against the dollar

to 5.725 pesos to the dollar, against Thursday's close of 6.075. Traders said the currency was strengthening on news that negotiations on the US aid package were nearing

Richard Lapper adds: Mexico's Brady bonds - issued by the government in exchange for distressed bank debt - yesterday bounced back from recent lows. Mexican par bonds - the most widely traded Mexican paper - rose by about half a cent, and were trading at about 49 cents by the end of the day in London. Ms Ingrid Iversen, senior economist at Morgan Grenfell in London, said the rise was due

policy."
Added to this dilemma have

been particular domestic concerns, which have contributed

further to currency weakness.

In Italy, worries about whether

the new government will be

able to pass a mini-budget; in

France, renewed attention to "political risk" as the lead of

Mr Edouard Balladur, the

prime minister, shrinks in the

presidential opinion polls; in

Spain, renewed focus on

alleged government "dirty

tricks" against its political

Sterling's weakness in part reflects limited evidence that

the UK economy might be slip-

ping back into the unhappy

combination of rising inflation

and slow growth. More funda-

mentally, however, it is the

result of foreign investors

showing their displeasure at

protracted political squabbling in the ruling Tory party. Mr O'Neill comments: "Constant

bickering about Europe is scar-

ing people overseas. People

like to see leadership, and they

short of a full blown currency

crisis. This is largely due to

the height of a major ERM cri-

So far, markets have stopped

are not getting it."

By David Buchan in Paris Mr Jacques Chirac yesterday called for "the absolute priority" to be given to fighting rance's record levels of unemployment, in his bid to pull back Prime Minister Edouard Balladur's opinion poll lead in the French presidential cam-

Making his first major campaign speech on the economy. the mayor of Paris warned of a "widening social fracture" in France for which "the entire nation is paying the price". He pledged that, if elected, he would prune wasteful public expenditure, but also reduce the burden of income tax while maintaining essential welfare programmes, particularly in

In a speech deliberately designed to be stronger on rhetoric than on detail, Mr Chirac said he planned "major change, but also peaceful change" in the way that France was governed. This was in contrast with what he implicitly called the "immobilism" of Mr Balladur, whom he claimed was "dragging France down the slope". Earlier this week the Chirac camp criticised Mr Balladur for cataloging a series of mini-economic measures without any broad vision of the country's real problems or the necessary solutions.

On unemployment, Mr Chirac said each of France's 3.3m jobless cost the country FFr120,000 (£14,600) a year. He was therefore ready to contemplate "any initiative of a lower cost that maintains or creates a job". Giving one example, he said companies employing anyone who had been out of work for more than one year should be excused paying all welfare charges for that employee, and get a FFr2,000 a month pre-

In some respects the economic programme that Mr Chirac outlined did not greatly differ from Mr Balladur's. They have both called for lower income taxes, though Mr Balla-

dur said he would pay for lower rates by widening the tax base, and they propose to shift welfare charges from company payrolls to the state budget.
But Mr Chirac attacked Mr

And the state of t

Balladur's squeeze on health spending, and also said the receipts from privatisation should be used to reduce the state's debt rather than its budget deficit.

In contrast to Mr Balladur, who this week reaffirmed his intention to reduce France's budget and welfare deficits in time to prepare the country for economic and monetary union by 1997, Mr Chirac only said that "we have a tendency to exaggerate our own constraints", a remark that could be read as making light of the Maastricht economic convergence criteria.

The whole tenor of Mr Chirac's speech was to tilt at Mr Balladur, his fellow Gaullist who is leading the polls, rather than at Mr Lionel Jospin, the Socialist candidate. By making employment the rallying cry of his campaign. Mr Chirac hopes to edge out Mr Jospin.

Earlier, Mr Balladur found himself under strong attack from another quarter. Ex-President Valery Giscard d'Estaing sharply criticised the prime minister in the Liberation newspaper for trying to please the people rather than govern the country. Addressing him-self directly to Mr Balladur. the former president said: "I have not seen in anything you have done any strong acts of government.

Mr Raymond Barre, a former prime minister under Mr Ciscard d'Estaing, also criticised Mr Balladur's "passivity" which he said "could be as culpable as errors". Both state ments reinforced the prospect that either Mr Mr Valery Giscard d'Estaing or Mr Barre may yet make a presidential bid. If either did so, he would be likely to draw more support away from Mr Balladur than

Whether heads or tails, D-Mark still wins

Instability in Mexico and Bundesbank solidity have led to currency volatility. Philip Gawith reports

Mexico City and Frankfurt may be far apart geographi-cally, but between them they hold the explanation for a week of volatility on the currency markets.

The combination of financial crisis in Mexico. and the Bundesbank's reputation as a bas-tion of financial rectitude and stability was sufficient to drive the D-Mark up sharply against the dollar, leaving other currencies marooned in its

The dollar fell below its 1994 low of DM1.4855 to touch DM1.4768, the lira sank to a fresh low of L1,086.75, sterling fell to DM2.3382, just above its record low of DM2.3130, and even the mighty yen was

On the other side of the water, renewed anxieties about Mexico's financial position saw the peso fall back below 6.00 pesos to the dollar, before recovering slightly yesterday.

While D-Mark strength and dollar weakness are to some extent two sides of the same coin, the D-Mark has been strong for reasons other than simply dollar weakness. Domestic political and economic events in Europe have contributed to D-Mark strength as much as the dollar's Mexico-

Mexico, however, lies at the heart of currency market tensions, both in terms of developments over the past few days and the wider ramifications of the financial crisis that Sterling Sterling

devaluation first sent shock-

waves through financial mar-

kets, the D-Mark has been the

beneficiary. Investors, already

bearing the scars of a torrid

year in 1994, were made even

Against the D-Mark 1.58

kets now wonder whether the US treasury is not more concerned about the level of the peso, than the dollar.

more risk averse, with the D-Mark seen as the pre-eminent safe haven. The dollar, however, gained a respite when President Bill Clinton announced the \$50bn rescue package for Mexico on January 31, and the Federal Reserve raised interest rates a What seemed a political coup

at the time, however, now looks increasingly to be backfiring. Developments over the past week - notably, an interest rate payment default by the Mexican company Grupo Sidex – have renewed market fears that the Mexican crisis still has some way to run, with the US likely to end up footing the

Mr George Magnus, interna-

tional economist at SG Warburg in London, comments: "What is worrying the markets is fear that Mexico has been singled out as a very special case, which will either result in higher taxes to pay for Mexico, or interfere with the process of monetary policymaking in the US, as the Fed ocuses on events south of the The other problem for the

dollar concerns interest rates. Arguably the main reason for holding the dollar in recent months has been on the view that interest rates in the are on a rising

Recently, however, there have been increasing indications of an economic slowclude that US interest rates might be reaching a plateau. Mr Jim O'Neill, head of global research at Swiss Bank corporation in London, comments: The quite good performance of US bonds and stocks this week shows a lot of domestic investors are coming to the conclusion that interest rates have peaked. It is the same conclusion that is hitting foreign exchange markets and the dollar.

tion is the outlook for German interest rates. Recent developments have given markets two reasons to think German rates might rise sooner, rather than later. One is the pace of German economic growth; recent figures show that Germany grew faster than any other eading European economy in the second half of 1994. The other is the possibility of industrial action in Germany

resulting from the spring wage

The other side of this equa-

D-Mark. One interpretation is that it is a harmless annual ritual, which will be settled in a non-inflationary manner. Alternatively, if the settlement appears inflationary, the Bund-esbank's track record is such that markets are confident it will compensate by simply advancing any tightening of monetary policy. A case of heads the D-Mark wins, tails it still wins. This is not a very happy scenario for European currencies, especially those of Italy, Spain and Sweden where large bud-

round. Perversely, markets do

not see this harming the

cal stance. Mr Avinash Persaud, head of currency strategy at JP Morgan in London, explains why these currencies are weak: "It is a tall order to expect them, in a climate of rising interest rates, to raise rates and at the same

the decision in 1993 to widen the ERM fluctuation margins to 15 per cent either side of get deficits require a tough fissystem's bilateral central rates, from 2.25 per cent and 6 per As Mr Magnus notes: "We can say with great conviction that but for the 15 per cent bands, we would already be at

INTERNATIONAL NEWS DIGEST

US trade deficit reaches \$166bn

The US merchandise trade deficit soured to \$166.3bn last year as the booming US economy sucked in imports. Unexpectedly, the balance of both goods and services improved in December, bright future for US exports. Exports of capital goods and cars rose during the month, while oil imports dropped. Mr Ron Brown, the US commerce secretary, blamed the massive vearly deficit on the differences in the growth rates between the US and its industrialised trading partners. "Capital goods now account for almost 40 per cent of the increase in our imports - a record level," he said. Nancy Dunne, Washington

Portugal's regulatory chiefs quit

The president and top officials of Portugal's Securities and Exchange Commission (CMVM) resigned yesterday in protest against "unacceptable government interference" with the independence of the capital markets supervisory body. The five-man executive committee quit the day after the govern-ment overruled a CMVM ruling by authorising Mr António Champalimaud, a Portuguese industrialist, to buy 50 per cent of Banco Totta e Açores, Portugal's third largest bank, without having to make a bid for 100 per cent. The resignation is an embarrassment to Mr Eduardo Catroga, finance minister, who arrives in London on Monday to promote Portuguese financial markets and a global offer of part of Portugal Telecom due in

Mr Fernando Costa Lima, CMVM president, said the government decision to exempt Mr Champalimaud from a full bid was "totally contrary to the transparency, integrity, rigour and respect for the law" that should govern financial markets. The government argued that the bid was acceptable because BTA was in the process of being privatised. The government welcomed Mr Champalimand's agreement to pay Es153bn (£524m) for the 50 per cent of BTA controlled by Banco Español de Crédito, the Spanish bank, because it would return the bank to Portuguese control. Peter Wise, Lisbon

Belgian PM seeks early poll

Mr Jean-Luc Dehaene, the Belgian prime minister, said yesterday that he wanted to break up his centre-left coalition and hold elections before the summer. Mr Dehaene said that elec-tions, scheduled for December, needed to be brought forward as tough decisions had to be taken on the 1996 budget and, with an election imminent, no political party would want to take unpopular measures. Mr Dehaene said Thursday's report from the Belgian national bank had showed that "this government has achieved what it can".

Mr Dehaene said he wanted to create the conditions so that the 1996 budget would allow Belgium to meet the 3 per cent of GDP target for public deficits for joining economic and monetary union. The annual deficit decreased to 5.3 per cent of GDP in 1994 and Mr Philippe Maystadt, finance minister, has said 4.3 per cent could be achieved this year. AP, Brussels

New Zealand grounds aircraft Air New Zealand has been forced to ground 10 of its 13 Boeing

737 fleet it uses on domestic routes, following the discovery of faults in hush kits fitted to the engines. The aircraft had been fitted with hush kits fodeal with noise complaints from Wellington residents. The kits are designed to cut engine noise by 70 per cent. Air New Zealand's main domestic rival, Ansett New Zealand, has a fleet of nine BAe 146 Whisper Jets, and promotes their quietness in its marketing campaigns. Mr Jim McCrea, Air New Zealand's chief executive, said that there had been four incidents involving engines fitted with hush kits in the past four months, including one in which the zircraft had been forced to make an emergency landing. He said that all the engines would be repaired by June. In the meantime the airline would use alternative aircraft.

down, leading markets to con-Ever since Mexico's bungled

■ Slash US contributions to

United Nations peacekeeping

Italian parties soften on early poll as lira slides political leaders indicated a and not their own selfish

By Robert Graham in Rome

The prospect of a currency crisis yesterday appeared to be knocking some sense into Italy's political parties bitterly divided over whether to back the new Dini government's limited mandate.

This small dose of realism emerged as the lira fell to a new low against the D-Mark. At one stage yesterday the Italian currency touched L1,087 before the Bank of Italy intervened. The central bank's intervention brought the lira back to L1,083, compared with Thursday's flxing of L1,074. The divisions among the par-

ties stem from widely differing views on when general elections should be held. Mr Silvio Berlusconi, the former premier and Forza Italia leader, has been pressing for June elections. This would give insufficient time for Mr Lamberto Dini's government to carry out his four-pronged programme introduction of a mini-budget, new regional electoral laws. rules for fair media coverage during elections and reform of

A string of statements from

growing awareness that failure to back the government's imminent mini-budget would have disastrous consequences on Italy's international credibility. Nevertheless, it was evi-

dent that much further bargaining was necessary to reach a minimum consensus to allow the government, composed of non-parliamentarians, implement even part of its small promised programme. The alarm was raised in the

strongest language by Mr Massimo D'Alema, leader of the Party of the Democratic Left, which has given strongest backing to the month-old administration. He fears a failure to find a

consensus for the Dini government would force the country to a June election amid a Mr D'Alema said: "The lira is

suffering dramatically from political uncertainties, from the state of general confusion and the cries of 'let's vote, let's vote'. All the political parties must allow the Dini government to carry out its programme... bearing in mind the interests of the country concerns." Mr Silvio Berlusconi, the former premier and leader of Forza Italia, hinted for the first time that he would be willing

to let the proposed L20,000bn (£8bn) mini-budget pass through parliament. But he also said that he would judge the fiscal measures on their merits and would link any approval to a general election being held in June. A more conciliatory line has

come from Mr Gianfranco Fini, leader of National Alliance, the heir to the neo-fascist MSI and Mr Berlusconi's most important ally. Mr Fini's slight distance from Mr Berlusconi revealed that the two are increasingly becoming rivals for the leadership of the rightwing alliance that won last March's general election.

At the same time Mr Berlusconi's putative ally - Mr Rocco Buttiglione, leader of the centrist Popular Party composed of former Christian Democrats - insisted yesterday that the Dini government be allowed to carry out its full mandate and

A trader at the Milan SE ponders investor caution amid the lira's continued weakness yesterday & Republicans flex muscles on defence

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By George Graham in Washington Promote Poland, Hungary. Mr Newt Gingrich, Speaker of Slovakia and the Czech Republic to the front of the oneue to

the US House of Representa-tives, this week pulled from an join the North Atlantic Treaty inside pocket his laminated Organisation ■ Set up a commission to assess the Pentagon's force copy of the "Contract with America", the 10-point legislative programme which his structure, strategy and spend-Republican party has promised Mr Warren Christopher, the to push through in the first 100 days of the new congressional secretary of state, described

session, and punched another hole in it to mark one more US deduct from its assessed contribution to UN peacekeep item of completed business. The National Security Reviting any money the Pentagon spent separately in support of alisation Act, which passed the House on Thursday by 241 UN operations as "another one of those violations of our solvotes to 181, contains the defence and foreign policy emn word, and something the planks of the Contract, includ-United States as a great nation ing measures to: should not do".

Mr Alain Juppé, his French opposite number, said the mea-sure was "a real shame and a the bill in its current form. The

sation". But the bill's prospects of becoming law are viewed as Senator Robert Dole, the Republican leader in the Sen-

ate, has introduced a bill that would impose many of the same restrictions as the House bill on US participation in peacekeeping operations. Administration officials expect, nevertheless, that the Senate will show more deference than the House to the tradition of leaving the president a rela-tively free hand in foreign policy, and will hesitate to vote for such curbs.

Even if legislation were to pass the Senate and to be reconciled with the House version, President Bill Clinton and his top national security offitration speed deployment of a Star Wars-style defence system against ballistic missiles and to weaken the president's obligation to get congressional approval for peacekeeping missions to merely consultation. Nevertheless, the bill clearly remains objectionable enough to the administration to draw a

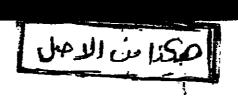
But the bill has in some senses already made its mark on US foreign policy. Even without a strict legislative requirement, the White House has recognised the US's general mood of wariness towards any kind of international involvement and is clearly looking twice at any possible commitment to new UN peacekeeping operations.

And although the president still retains some capacity to ■ Curb the president's ability real step backwards for inter- content has been modified by act on his own executive from Congress.

to place US troops under for-eign command national law and world organi-sation". But the bill's prospects amendments to eliminate a authority – as Mr Clinton requirement that the adminis-showed when he decided to use the Treasury's exchange stabilisation fund in an effort to rescue Mexico from its financial crisis - the extent of the Republicans' victory in November's congressional elections has certainly swung the pendu lum of power over foreign policy back towards the legislative branch.

Ever since the second world war, the last time the US actually declared war, presidents have asserted their right to conduct major military operations such as the Gulf war or the quasi-invasion of Haiti without an obligation to seek Congress's approval.

Mr Clinton, however, has been so weakened that few believe he would be advised to embark on overseas ventures without fairly explicit support





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Social and fiscal discipline vita. Mandela promises campaign crackdown on crime and graft

By Roger Matthews and Mark Suzman in Cape Town

President Nelson Mandela yesterday promised South Africans that his government was declaring war on anarchy, the worsening crime rate, racism, corruption and violent action by a minority of trade union-

"Let it be clear to all that the battle against the forces of anarchy and chaos has been ioined. Let no one say that they have not been warned," said Mr Mandela during an hour-long speech to mark the opening of the new parliamen-

He forecast an exciting year of legislation ahead, as the government sought to build its vision of a new, fairer society based on realistic targets that would provide jobs, houses, clean water and primary health care. But his repeated insistence that this could only be achieved against a background of tough social and fiscal discipline won him more applause from the National party, which ruled the country under apartheid, than from the now dominant African

National Congress.
The Nationalists particularly

warmed to his assertion that "the situation cannot be tolerated in which our country continues to engulied by the crime wave which includes murder. crimes against women and children, drug trafficking, armed robbery, fraud and theft". The president urged the police to greater efforts and promised that there was no intention of carrying out a witchbunt against officers for their activities during the apartheid era. Mr Mandela was also tough

which thought they could squeeze more money out of the government through strikes. He sympathised with the low-paid, but stressed that the government simply did not have the money to meet their demands.

With the budget due next month, Mr Mandela underlined the importance of fiscal discipline. "The government has extremely limited resources to address the many and urgent needs of our people," he said. "We must rid ourselves of the

allowed into the country to

take the mainly unskilled and

low-wage jobs that Koreans

nical training programme" for

foreigners in 1993 as a pretext

to provide unskilled imported

Of the 33,600 foreigners

legally employed in Korea,

19,000 of them are "industrial

trainees" who stay for a two-

year period. Most come from China, the Philippines and the

The Nepalese protest exposed widespread abuses in

Indian subcontinent.

ply of imported labour.

labour to small industries.

money. The government does not have such riches."

Mr Mandela said he favoured a transparent and participatory budget process. It was right for people to know how much money they had contrib-uted to the state and how it was being spent. He hoped this would stop people being seduced into a world of false hopes. But he underlined that strikes would not make more money available, and he urged the unions to be on their guard against anarchists who sought to exploit the situation.

With several senior members of the ANC having recently been accused of misusing official funds, Mr Mandela also emphasised his determination to root out corruption. However, he cautioned

against condemning people on the basis of mere allegations, and reminded parliament that apartheid had made corruption part of the fibre of the country. "At all times we must guarantee the right of the accused to be heard, without making any concession to a primeval instinct to pillory and burn



Mr Mandela and his daughter Zenani Dlamini after the opening of parliament yesterday

S Korea set to reform foreign workers' rights

to fill.

By John Burton in Secul

A recent protest over harsh job conditions by a small group of Nepalese workers in Seoul has rapidly led to proposed reforms that would protect the rights of

The government this week announced that it would phase out a pioneer programme to import foreign labourers, which the Nepalese claimed amounted to a form of slavery, and replace it with a work permit system that would improve their status.

The treatment of foreign workers is seen as a key test of the government's commitment to promoting the "internationalisation" of Korea's insular and homogeneous society, which is sometimes reflected in discrimination against out-

siders.

Problems confronting foreign workers received widespread attention after the Nepalese factory workers held a nineday sit-in at Seoul's Myong-

dong Cathedral last month. Their litany of complaints included unsafe working conditions, beatings by employers, non-navment of wages, exces sive working hours, and confis-

cation of their passports.
The bad publicity could harm efforts to recruit more workers from abroad as the government considers increasing the number of foreigners

Algerian regime tightens grip on Islamic leaders

The Algerian authorities are tightening their clampdown on leaders of the Islamic Salvation Front (FIS), as violence intensifies in the three-year conflict between the army and the

Small businesses, particu-According to people close to larly in the textile and clothing the FIS, the son of Mr Abassi Madani, the FIS founder, has industry, are demanding a rise ease a labour shortage. father for several days. Mr Technically, the employment Abassi Madani, who was of migrant workers is banned released from prison last Sepin Korea. However, exceptions tember and placed under house arrest, went into hospital last are made for those jobs that week with an ulcer. The FIS Korean workers are unable says Mr Madani may have In addition, the government already been moved from hospital by the authorities. introduced an "industrial tech-

Mr Ali Benhadj, FIS's second in command who has also been under house arrest since September, was moved by the

authorities to an unknown

other members of the FIS ruling body who were freed last year and were recently allowed to meet other opposition parties in Algiers, have received notices asking them to report to police headquarters. The five have said they will ignore the instruction

These latest government moves against the FIS leaders a school in Dlagh in southern come at a time when the group's standing has risen. following its signing last month, along with other opposition groups, of a peace declaration committing it to democratic

The so-called "Rome declaration" increased international pressure on the Algerian government to commence talks with the FIS. The army rejects this approach, insisting instead on "eradicating" the Islamists.

Ramadan is proving bloody. This week, the killings have included an Algerian journalist, one of Algeria's most popular singers, the president of a woman's association, the director of the national theatre, and a foreign ministry official. Algerian observers say many attacks have gone unreported, including a bomb explosion in

Algeria which killed two children, and an attack on the police headquarters in Blida. In addition, unofficial reports

earlier this week said an Algerian Islamist commando attacked a Tunisian border post, killing six guards. Both Algerian and Tunisian government officials have denied the attack, with the Tunisians insisting that the guards' Land Royer skidded off the road and As forecast, the month of fell into a ravine.

Suharto son in big oil plan

By Manuela Saragosa

the trainee programme, which is administrated by the Korea Federation of Small Business. The son of Indonesia's President Suharto has announced plans to build a The new labour policy announced by the government \$1.5bn oil refinery in east Java promises easier entry for for-eign workers if small compa-- the latest in a series of large business contracts to have nies improve labour condibeen swept up by the presitions. The government next dent's family in recent months. Mr Bambang Trihatmodio, President Suharto's eldest son, year will introduce a "work permit" system, similar to ones said a feasibility study for the used in Singapore and Gerproject had been completed many, to ensure a steady supand that he was considering

inviting a foreign partner to Officials familiar with the

plans said the refinery could be operating as early as 1998 with production capacity of 210,000 barrels a day. Mr Trihatmodio's plans were

announced a day after executives at Pertamina, the stateowned oil company, commented on a slow-down in the construction of private-sector oil refinery projects. Of the seven private-sector investors

approval to start work on oil refineries last year, none has started construction so far, largely because financing has

Mr Trihatmodjo controls the Bimantara Group, a conglom-erate with interests in petrochemicals, finance, property and telecommunications. The group has been growing rapidly since it was set up over a decade ago and is considered to be among Indonesia's 10 largest conglomerates.

Lure of career seduces Taiwan women

High income professionals are delaying marriage and motherhood, writes Laura Tyson less disposable income and

n Taiwanese director Ang Lee's film Eat, Drink, Man, Woman, nominated this week for an Oscar, the attractive middle daughter of a widower chef finds success and fulfilment in her career as an airline executive but is disappointed in love.

She typifies a growing class of what the Taiwanese call danshen guizu , "single nobles", or high-income professional women who put career ahead of finding a husband. This is not necessarily because they reject marriage and family, but because education and economic independence have created expectations few potential husbands can meet.

The phenomenon would hardly be cause for remark in London and New York and elsewhere in the west. But in Taiwan, women are delaying marriage and the broader demographic consequences of this trend is worrying the gov-

ernment. The average age for first marriage among women reached 28.2 last year, up from below 24 in 1980. Men are marrying for the first time at 30.9 years of age on average, up

from 27 in 1980. Mr Wu Shu-cong, a senior official in the population department of the interior ministry, warns: "If our female compatriots get married too

late, not only will the birth rate decline but the quality of the population will be affected, because after the age of 35 the chances of giving birth to unhealthy children are

Still more critical, he says, is that a generation from now, there will be fewer workingage people to support Taiwan's rapidly greying population. This will strain government resources and capacity to fund pensions and provide health-care for the elderly.

Taiwanese men are still very old-fashioned," says Ms Victoria Blan, who is "about" 34 and single. She has a masters degree in business administration from a US university and works at a European bank. "Taiwanese guys don't want

to marry a woman with a higher level of education," she says. "All they care about is looks and whether a woman can have babies." The male perspective is somewhat different. Mr Pedro

Tai, investment company analyst, is 30 and single. "For me, the main problem is economic," he says. "I can't afford to buy a house. It's easy to get married, but what next? Then you have to live with your parents. If you do buy a house, your standard of living will drop very fast. You have to worry about a mortgage, have

your quality of life is affected." Propelled by the island's rapid economic development. Taiwanese society - especially in the capital, Taipei - now finds itself both blessed and cursed with the same freedoms, values, conflicts and dilemmas as any other modern society. The only difference is that social changes that took perhaps half

a century to unfold in the west have been telescoped into less than a generation in Taiwan. "Rising education is the crucial factor behind delayed marriage among women. Education increases labour force participation and income," said Mr Chang Ming-cheng, director

of the Taiwan provincial insti-

tute of family planning. "In the past, the govern-ment's family planning policy was to bring down the birth rate. This was successful; since 1984 the total fertility rate has been below [the required] replacement [rate]. For the past six years our programme has focused on certain groups, especially teenagers. We try to persuade the younger generation that the proper age for marriage is 25 for women and 27 for men. But obviously this has not been very effective." Does Taiwan plan to launch

a Singapore-style government-

sponsored dating programme? "So far, no," laughs Mr Chang.

Mr Tong Rong-hsiung, a taxi driver in his early 30s, believes the traditions of old China which persist in modern Taiwan society are causing a generation of young women to delay tying the knot.

"Chinese men like to find a little wife [mistress], go out drinking and gambling. This is a custom in Chinese society, he explains. "Chinese culture dates backs 5,000 years so these concepts cannot be changed easily. In the past, women had no power. Young women today are not willing to accept these things."

s Abby Lin, a marketing representative for a UK electronics company, is 32 and plans to marry this year. "The Chinese concept of yuan fen - fate bringing people together affects many people's thinking nowadays. They feel quite happy with their lives and are not eager to find a boyfriend. But many people go to a fortune-teller to find out when they will meet their future husband or wife. There's so much pressure from family and society, they just need someone to talk to. Many still think that a "Of reffer file and at remove

Matchmaking is quite common, Ms Lin says, especially among the rich families. "They don't want their kids to marry

someone they met at school or through friends; they want to pick someone from another rich family." She adds: "As for children, now people just want one or at most two." Ms Catherine Tseng, a pri-

vate banker, is 29 and single. "My family is trying to get me to go to a matchmaker, but I don't want to do that. For young women today, money isn't the most important thing any more. They want someone who will share the housework, and help take care of the kids." Banker Ms Bian would like

to find a husband, but admits she has set herself high standards. She says she would sooner remain single than compromise. "I can take care of myself. Now we are more independent. We enjoy our free-

That outlook finds favour with her male professional counterparts. Investment analyst Mr Tai does not want a wife who will perform traditional domestic functions; he wants someone with an independent career.

"I want my wife to work," Mr Tai says. "I don't want her sitting at home waiting for me, just cooking and taking care of the kids," he says.

As Ms Bian say optimistically: "Everybody's expecting the perfect person, and there's no match.

Singapore looks to summit

By Kieran Cooke in Singapore

Mr Goh Chok Tong, Singapore's prime minister, says a summit between the European Union and the Association of South-East Asian Nations is likely to be held before the end of the year. Mr Goh said that such a

meeting was necessary to avert frictions in trade

Singapore has been the drivng force behind the idea of a EU-Asean summit.

Mr Goh said that the EU and North America already had the machinery in place for settling differences. And the Asia-Pacific Economic Co-operation forum. (Apec) served as a forum for discussions between the countries of east Asia and North America.

"I feel there is a lack of mutual appreciation of each others' aspirations, strengths and weaknesses." he said with regard to Asean countries'

"We regard the EU as a protectionist block but the French have assured us that it is not we must understand each other more."

"Now we [in Asia] want to close the missing side of the triangle by having a summit with Europe," said Mr Goh. The meeting, which is awaiting formal approval from Asean and European leaders, is likely to be held after an Asean gathering in Bangkok later this

Mr Goh confirmed in an interview that Vietnam would ioin Asean in July. He also said that Burma would be considered for future membership. Singapore, which is the leading investor in Burma, has been promoting what it calls "constructive engagement" with the military regime in Ran-

"We still hold the view, shared by more and more people, that the best way to get Burma to return to normalcy in government is through con structive dialogue," said Mr

The Singapore prime minister said that the recent offensive undertaken by the Burmese military against forces of the Karen minority was an internal problem.

Singapore has been accused of selling large amounts of arms to the Burmese regime. "Singapore does sell small

arms and weapons to other countries," said Mr Gob. "But there are defence guidelines on this which take into account particular situations in those countries. So do not

conclude that we are selling small arms to Burma." On China, Mr Goh said that while it was impossible to predict political developments, he was confident that the economic changes Beijing had

"Short of a civil war in China, the country will continue to grow - and we will continue to invest heavily," said Mr Goh.

course.

Japan backs US in China copyright war

in Tokyo and Tony Walker

China's trade dispute with the US over copyright piracy is a "test case" of Beijing's willing-ness to respect international rules which could affect its prospects for joining the World Trade Organisation, a senior Japanese trade official said vesterday.

If China met US demands that it develop effective mechanisms to control piracy, that would be "conducive" to its accession to the world trade system, he said. However, if China did not make a big effort to settle the dispute, "it would at the very least send a very disappointing signal to mem-bers of the WTO".

The official's remarks are the closest the Japanese government has come to expressing support for the US stance in the copyright dispute.

It is also the first time any large WTO member - apart from the US - has publicly linked the dispute with China's negotiations to join the trade body, which have been stalled since late last year.

The Japanese official said his government supported China's "eventual" integration into the world trade system. However, he said that to join the WTO. countries had to set out a specific timetable for harmonising their national policies with multilateral rules.
"In that regard, I believe the

current discussions between China and the US about intellectual property rights would prove to be an interesting test case." he said. It was essential for China to

establish an effective set of rules and legal procedures to end copyright piracy, he said. The official also insisted that the Japanese government was determined to resist Washington's demands in current bilateral trade talks for negotiations on an increase in the "voluntary targets" for pur-

its current position, it would agreement to be reached," he said. However, he was more optimistic about prospects for talks on US demands for better access to car dealership net-works in Japan and deregulation of its spare parts mar

Meanwhile, in Beging, the US and China have signalled progress after four days of talks in their efforts to resolve the copyright dispute and head off a sanctions row. A US spokesman said "some progress" had been made, but "sig nificant differences" remained Negotiations will continue over

the weekend. Yesterday's slightly more positive statement indicates that the gap is narrowing. However, there was no indicawhether negotiations would be concluded in time to avert tit-for-tat sanctions.

The US has threatened to impose punitive sanctions on \$1.08bn worth of Chinese imports if no agreement is reached by February 26. China has said it will retaliate.

The two sides are focusing on protection for audiovisual products and computer software, border enforcement, and trademarks. The US is demanding "concrete" action against blatant counterfeiting of American information and entertainment products by Chinese factories, some of them state-owned.

Beijing has objected to US attempts to introduce market access issues to the copyright negotiations.

China has warned that a Sinc-US trade war would threaten \$2bn worth of proposed Boeing orders by China Southern Airlines.

 The European Commission and Japan yesterday concluded two days of discussions on export quotas of Japanese cars to Europe without agreement on Japanese demands for an increase in the agreed limit of its exports to the EU. Officials chases of US vehicle parts by from both sides agreed to post-Japanese car manufacturers.
"Should the US persist with set a date for resuming them. pone discussions, but failed to



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Rail executive quits over privatisation fears

By James Buxton,

Mr Chris Green, director of ScotRail, one of the state-owned train companies set up to encourage privatisation of the national network, resigned yesterday. After years as one of the national rail network's top managers, he is to become chief executive of English Heritage, the government agency which manages historic monu-ments including Stonehenge and the Tower of London The government attempted to limit the damage caused by the resignation by insisting that it would make no difference to the privatisation pro-

Mr Green gave no clear indication of why he was leaving ScotRail, where his decision stunned many staff. He said in a statement to them: Having set the new ScotRail on the route to privatisation with a strong management team, I believe that the time is ripe for a career change." His departure removes one of the

country's most effective railway managers. He been had expected to lead a management buyout for the franchise to run ScotRail, which the government has earmarked for an early sell-off.

But he never concealed his dismay at the way in which the government has broken up British Rail into a collection of state-owned companies as part of its privatisation programme. He moved to ScotRail last April from being director of Intercity, a business with three times ScotRail's turnover, which has now been divided into Last month he gave an outspoken

newspaper interview in which he warned that expected cuts in ScotRail's budget for the coming financial year could result in reduced services and staff levels. He was reprimanded by the British Railways Board and told not to speak to the media unless it benefited the com-

But Mr George Kynoch, the Scottish Office industry minister said: "I don't think the future of ScotRail is dependent on one particular man. Chris Green has obviously made a major contribution to it. But I think the

issue".

ment secretary, described Mr Clarke's remarks as not being

a "help" - which is close to

mutiny under the principle of

collective cabinet responsibil-

ity. Mr John Redwood, the

Weish secretary, who is as far from Mr Clarke on this ques-

tion as it is possible to be, said

that joining a single currency

was "a very big constitutional

It was not just Mr Clarke's

opponents who were infuri-ated. Some of his supporters

felt he had stirred things up

too much. "He considerably

damaged any chances he had

of succeeding John Major,"

said a backbencher normally

Meanwhile the 1922 commit-

tee of backbench Tory MPs

was becoming alarmed by the

appearance of cabinet disunity.

Their conviction that it must

be stopped was reinforced when Mr Eddie George, the

governor of the Bank of

England, told a meeting of

Tory MPs on Tuesday night

that the European row was

undermining confidence in the

But any action by Mr Major

was pre-empted by remarks made by Mr Clarke in an inter-

view in Thursday morning's

Daily Telegraph - published just hours before the 10am cab-

inet meeting. Mr Clarke called

for a "debate at the right level

of decibels" on monetary union

and reiterated that "the idea

that this [a single currency] is

in itself some threat to the nation state is wrong

Mr Major had, however,

decided that the correct decibel

level for this debate was zero.

The cabinet admonition applied to all ministers

involved in the public debate

over the past fortnight - but

sympathetic to Mr Clarke.

privatisation will go ahead vary smoothly."

The opposition Labour party seized on Mr Green's departure as a further indication of the troubles besetting privatisation. Mr Brian Wilson, the party's industry spokesman, said: Everyone in the industry knew what Chris Green thought of what was going on. Within the past few weeks we have seen the gagging of him reinforced when he tried to speak out. I think he was finally sickened by the huge budget cuts which ScotRail are having imposed on them."

political and constitutional

issues". Mr Clarke had in pre-vious interviews accepted that

there were constitutional

implications, but never with as much emphasis as in the letter.

Officials insisted that Mr Clarke had suggested this new formula – to end the appear-ance that he was at odds with

Mr Clarke's supporters said that he retains a distinct

advantage over his opponents

evolves - he keeps responsibil-

ity for vetting their utterances

on monetary union. Under

"questions of procedure for ministers" - whose tenets Mr Major stressed in his dressing

down to cabinet - no ministe

may make a speech or broad-

cast on monetary union which strays outside publicly agreed policy, without first submitting

the text for approval to the

minister responsible for mak-ing policy in this area - the

The chancellor is convinced

that he has secured his main

objective. By stressing the pri-

macy of economic arguments.

he has ensured that the public

debate has been about the right criteria for joining, not whether we should join. He is convinced there will not now

be a manifesto promise that a

Tory government would keep

sterling outside a combined

indeed it turns out to be one -

has not been insignificant. Any

suggestion of a split between a

prime minister and chancellor

can have devastating consequences. It is argueble that the

division between Baroness

Thatcher and Lord Lawson in

the late 1980s was the most

The price of this victory - if

Arms-for-Iraq judge protests to government

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Sir Richard Scott, a senior judge, has told the government he is not prepared to accept an "unnecessary delay" to the publication of his inquiry into the sale of arms to Iraq by UK companies in defiance of international sanctions. The warncompanies in denance or international sanctions. The warhing, made public yesterday by the judge, has brought to the surface growing tensions between Sir Richard and the government over the inquiry, which threatens to be sharply critical of the conduct of some civil servants and ministers.

In a letter to the cabinet office signed by Mr Christopher Muttukumaru, the inquiry's secretary, the judge rejects a request made by witnesses that they be sent relevant extracts of the final version and given a further opportunity to defend

The letter, addressed to Mr David Gould, the cabinet undersecretary, states: "It has been suggested that the inquiry send the relevant extracts to all individuals who have been critically supported the relevant extracts to all individuals who have been critically supported the relevant extracts to all individuals who have been critically supported to the relevant extracts to all individuals who have been critically supported to the relevant extracts to all individuals who have been critically supported to the relevant extracts to all individuals who have been extracted to the relevant extracts to all individuals who have been extracted to the relevant extracts to all individuals who have been extracted to the relevant extracts to all individuals who have been extracted to the relevant extracts to all individuals who have been extracted to the relevant extracts to all individuals who have been extracted to the relevant extracts to all individuals who have been extracted to the relevant extracted to ised in them. We believe that fairness does not require this to be done." It adds: "We believe, moreover, that there is a strong public interest in the earliest possible publication of the report. The vice-chancellor is not prepared to countenance unnecessary delay." Jimmy Burns

MPs to investigate derivatives

The Treasury committee of the House of Commons is to examine regulation worldwide of the market for derivatives as part of a broad inquiry into controls on financial services. The committee said it would examine the extent to which the UK's Financial Services Act of 1986 is "sufficiently robust to effectively cover the over-the-counter (OTC) derivatives market". Derivatives are financial instruments whose price reflects the performance of underlying assets such as bonds and securi-

The committee will also "be examining the extent to which there can be said to be a systemic threat posed to the financial markets by the burgeoning derivatives market." and the response of regulators worldwide to this". It will consider whether greater public disclosure of "credit risk strategies" and improved accounting practices by financial institutions might help "prevent excessive turbulence in these markets". Richard Lapper

Rule change may be delayed

Lloyd's of London has been left on tenterhooks by Mr industry secretary, as it attempts to change its rules so that damages won in court by Names are used to settle debts at the insurance market. Mr Heseltine had last night still to approve the rule change, and his department was unable to say if a decision would be made before a Lloyd's council meeting on Monday which has been arranged especially to approve the measure.

The timing of the move is important to Lloyd's leaders because there is a risk that Names belonging to the Gooda Walker Action Group may soon receive damages for losses incurred in the late 1980s. The High Court this week ordered a £210m interim payment for the Names, individuals whose assets have traditionally supported Lloyd's. The Department of Trade and Industry has responsibility for protecting the interests of insurance policy holders. Ralph Atkins, Insurance

Lawyer to pay client's heirs

A lawyer who delayed preparing a will for so long that the client had died before it was ready is liable to pay compensation to those who would have received bequests, the House of Lords ruled in its capacity as final court of appeal. The lords upheld a Court of Appeal decision in favour of two sisters who claimed they each lost £9,000 (\$13,950) in bequests from their father because of the lawyer's negligence. Mrs Carol White and Mrs Pauline Heath, who live in Birmingham, had sued Philip Baker King and Co. a solicitors' firm, and one of its

A majority of law lords agreed with three Court of Appeal judges that, as intended beneficiaries, the sisters were each emittled to recover £9,000 damages with interest. Dismissing the solicitor's appeal, Lord Browne-Wilkinson said: "It would be unacceptable if, because of some technical rules of law, the wishes and expectations of testators and beneficiaries generally could be defeated by the negligent actions of solicitors without there being any redress." PA News

England fans sentenced: Two English football supporters were each sentenced to two months' jail by a court in the Republic of Ireland after admitting causing a breach of peace at Wednesday's Ireland-England soccer international. They were later bailed after being given leave to appeal. The two and a third man who was fined were arrested by Irish police after two of them were recognised in newspaper photographs of events at the Dublin ground where crowd violence forced the natch to be abandoned. One of the men apologised in court on behalf of all three, saying a man they attacked had called

Bull shot: A bull was shot dead by a police marksman after it

Cabinet agrees uneasy truce over EU policy

A strategically important hillock has been surrendered. But in the Conservative government's internal war over whether sterling should join a single European currency, vasi acres of territory are still under the chancellor of the exchequer's domain.

That at least was how Mr

Kenneth Clarke was consoling himself and his troops after a week in which the prime minister insisted on a cabinet vow of silence on the more "speculative" European Union questions - especially the constitu-tional implications of

Mr Clarke's supporters saw this as a direct rebuff to the chancellor. It was he who had inflamed Eurosceptic ministers by playing down the effect on national sovereignty of sterling's membership of a single currency - turning a ministerial debate on monetary union into a public battle that threatened to undermine the government.

The scale of the crisis became clear when Mr Major delivered a five-minute lecture to the cabinet on Thursday telling them they must respect the principle of collective cabinet responsibility and present a united front.

The constitution - the "dreaded C word" to quote a supporter of Mr Clarke became the central battle issue during prime minister's questions in the Commons on February 7. Mr Major said he could not say whether it was right to join a single currency: I will not make a judgment that is crucial to the constitutional and economic future of this country until I see the economic circumstances of the

This statement fuelled Mr Clarke's concern that Mr Major had been hijacked by the more Eurosceptical wing of the government. His fear was that over the coming year they would continue to pull Mr Major in their direction, forcing him to play the "nationalist card" in the next general election and rule out UK mem-

By Robert Corzine

The government has disclosed

its latest thinking on ways of

dealing with abandoned North

Sea oil installations in a move

likely to re-open divisions

between the oil and fishing

Mr Tim Eggar, energy minis-

ter, said the cost of abandoning individual fields would be vital

in deciding the fate of plat-

forms.

He called on the oil industry

to adopt a co-operative attitude

towards abandoning installa-

tions in order to lower overall costs. The government in turn would take a flexible, case-by-case approach and would look

at all options, including moth-

balling, alternative use or the

partial dismantling of many

deep-water structures.

The fishing industry has demanded the complete removal of all platforms. But Mr Eggar said cost factors, as well as environmental concerns and the interests of other

cerns and the interests of other maritime users, would be "weighed in the balance".

"Much of the cost of aban-

domment will be offset against tax, and up to 60 per cent of the cost of the burden will fall

on the taxpayer," he said, The UK Offshore Operators Association, a trade associa-

tion, expects £1.5bn (\$2.3bn) to

be spent over the next 10 years

in decommissioning 50 out of 200 platforms in the UK sector

of the North Sea. The association says nine or 10 platforms a

year are likely to be decommis-

An inter-departmental com-

mittee is drafting a consuita-

donment guidelines that will

be published before Easter. But

government officials have

already given industry repre-

sentatives a preview of some of

the principles likely to be

sioned by 2003.

Rules proposed

for disposing of

disused oil rigs

Robert Peston on the delicate relations between John Major and his chief finance minister



Under fire: John Major and Kenneth Clarke in the Conservative trenches

bership of a single currency Further Eurosceptic pressure was exerted on Mr Major on the following day, when 97 backbench Tory MPs - about half of the party's backbenchers - signed a parliamentary motion congratulating the prime minister for "making it

clear...that it is not in the

UK's interest to join a single

currency in 1997". It has been government policy for some time that sterling should not join a single currency if one is created in 1997 the entry date under the Maas- hysterical and out of step with

All North Sea oil platforms are

impressive, but some are in a

league of their own. The

government has told an oil

industry conference in London that the decommissioning of

concrete gravity platforms, the

largest structures ever moved,

poses a "special problem". A visiting Norwegian official was more blunt: "What do you

do with a 1m-tonne piece of

on top of massive, bell-shaped concrete structures resting on

the sea bed. Their vast ballast chambers, some larger than St

Paul's cathedral in London,

are full of sea water to keep

Gravity base platform: sit

tricht treaty. The motion pointedly did not congratulate Mr Major on the other part of his policy - that it would be wrong to decide now whether or not to join at the end of the cen-

tury or later. On February 9, Mr Clarke dropped his bombshell. It was an explosion which the prime minister knew was coming according to Downing Street officials Mr Clarke's speech had been seen and approved by Mr Major. The speech outraged the Eurosceptics because it characterised their concerns as

skin

that "the belief that in 1973 Britain only intended to join a free trade area without politibecoming one of the myths of our time'

Conservative party tradition.

"an unacceptable underminunion without political union.

Mr Clarke said, for example,

ing of this country's sovereignty". Just in case his cabinet opponents had not got the age, he added: "It is quite possible to have monetary The Eurosceptics were furious. The following day, Mr Michael Portillo, the employ-

there was an impression that Mr Clarke had been particuimportant factor in the events larly rebuffed. This was reinforced that evening when leading to the resignations of What Mr Clarke must hope Mr Major wrote to Mr Gordon Brown, the shadow chancellor, is that when the cabinet's fragwho had been pressing him to ile truce on Europe is broken say whether he agreed with Mr Clarke's views. and most Tories believe the

truce is only temporary - first The letter said that Mr Major hostilities are launched by the and Mr Clarke were agreed

Action on | Eurotunnel fails in effort to block duty-free sales

By Charles Batchelor,

The rate was only one in 16,000 in Europe, but the two products were withdrawn worldwide on Thursday and

The withdrawal of a cosmetic was "a very rare event", said Mr Ian Phillipson, head of scientific services at the Cosmetics, Toiletries and Perfumery Association in

the structure steady.
In theory, they can be emptied and refloated. Many offshore engineers say they would would relish such a challenge, but few would wait to watch. The refloating would be "a virtually uncontrollable Gaidford, director of projects at Amerada Hess. the US oil and gas company.

forms in the shallow waters of the southern North Sea will have to be removed. But platforms in the deeper waters of the central North sea might be toppled or only partially dis-

In the northern North Sea, the government is relaxing its requirement that the remains of any platform be at least 75 metres below the surface. The new standard will be 55 metres, in line with international recommendations. The Scottish Fishermen's Federation said the relaxation was a "total disaster".

The government has approved abandonment of the Brent Spar offshore storage facility. The disposal site will be at least 200 miles from land and in more than 2,000 metres included. and in m

The relatively small plat- of water.

By Roderick Oram, Consumer industries Editor The number of consumers complaining that two of Procter & Gamble's skin creams irritated their eyes is running at one complaint for every 4,000 jars sold in the US.

creams is

explained

will be replaced by a milder version, P&G said. London.

The products are in a category which the US Food and Drug Administration is studying to determine whether they should be regulated as drugs rather than cosmetics. The issue of regulation of "cosmeceuticals", cosmetics with pharmaceutical characteristics, is a growing one for the cosmetics industry.

In P&G's case, however, the two creams have much lower concentrations of hydroxy acids than those products such as acne creams which are attracting close scrutiny.

The two creams withdrawn, Oil of Ulay New Skin Discovery and Max Factor Active Response Creams, are designed to smooth wrinkles by removing dead cells from the skin surface. The active ingredient with a 2 per cent concentration is salicyclic acid, a type of hydroxy acid taken from the bark of willow trees. The creams' packages clearly say users should keep the product out of their eyes. Where it has made contact with eyes, it has caused irritation to some people. P&G said at worst the irritation lasted two or three days with no permanent damage.

would continue until 1999, so application in the Court of

Transport Correspondent

Eurotunnel was defeated yest-erday in its legal battle to put an end to duty-free sales on ferries that cross the English Channel and on aircraft. The High Court in London ruled that the company, which

operates Channel tunnel rail services from London to Paris and Brussels, had delayed too long in seeking legal redress.

But the judges did give the company permission to seek leave to challenge the legality of so-called "booze cruises," in which day trippers make the return journey simply to make duty-free purchases.

Eurotunnel said it was disappointed at the ruling which had failed to consider

"important issues of substance". But all its planning and financial forecasts had been made on the assumption that duty-free sales

the decision would not affect its financial position. It added that maintaining duty-free sales was the equivalent of a government subsidy worth £100m (\$155m) a

year to the ferries. Duty-free sales were to have been abolished in January 1993 with the creation of the single European market. But they were extended to 1999 on the grounds that the member states had failed to harmonise

duty rates. Lord Justice Balcombe said in the High Court: "By no stretch of the imagination can their [Eurotunnel's] application he said to have been made promptly." Eurotunnel had known of plans to extend duty-free sales since 1991, but had failed to act within the three-month time

Eurotunnel is considering journey. They would pick up whether to renew its the goods on their return.

Even losing our deposit was

probably to be expected,"

admitted one Tory backbencher. "With everything

Appeal, but it is barred from taking its complaint to the European Court of Justice.
P&O European Ferries, the largest ferry operator on the Dover-Calais route, said: "We see this as a victory for common sense." The ferries had feared that the loss of duty-free sales would force them to increase ticket prices.

Eurotunnel has duty-free shops at its terminals at Folkestone in England and Calais in France, but it is not allowed to make sales on its shuttle trains which carry cars and their passengers.

Drivers who stop at the terminals lose the main advantage of travelling through the tunnel, which is speed. Eurotunnel is working on plans to allow travellers to order duty-free goods from a catalogue on their outward them English scum.

ak-in at ministry: Police launched an investigation into the theft of computer equipment following a break-in at the Department of Transport and the ransacking of offices on the floor occupied by Mr Brian Mawhinney, secretary of state. The intruders damaged computers and stole parts. Protestors against road-building have staged a number of demonstrations in recent months.

went on the rampage during a promotion stunt for a brand of beer. Photographers and brewery officials were sent scattering as the previously docile animal went wild at Theakston's brewery in Masham, northern England. The animal broke free and burst into the brewery during the launch of Theakston's Black Bull beer. As the bull's owner tried to restore calm, he was knocked over by the charging animal.

Welsh constituency's previous Labour MP is now member of European Commission

Conservatives are humiliated in by-election

By John Mason

The Conservative party faces the prospect of annihilation in Wales following its defeat in the Islwyn by-election, Mr Ron Davies, the opposition Labour party's shadow Welsh secretary, said yesterday.

In one of the Conservative party's worst-ever by-election performances, its candidate Mr Robert Buckland finished in fourth place with just 913 votes - a result which ensured the loss of his deposit. The result was announced early yesterday morning.
The by-election was held

because the seat was held by Mr Neil Kinnock, a former leader of the Labour party who left British politics last year to join the European Commission. Mr Davies said that, with the

Conservatives now holding only six of the 38 Welsh seats Voting in lebuys Party Voice Lation 18,030 PC 2,943 Lio-Debi 2,448 Society piblic 913 in the House of Commons, they would, on the Islwyn
performance, be hard pressed
to keep a single constituency.
"Their last vestige of
credibility has been
destroyed," Mr Davies said. Conservative MPs yesterday shrugged off the humiliating defeat as the least of the Labour Fold Rejectie 42.007 General election 1982 Cabbon majority 24,720 government's current

problems. The result was considered of little consequence compared with the party's continued wranging over the European Union and its drive towards a else that is going on, nobody is going to be too worried about Islwyn," he said. single currency. "This result is no surprise.

Conservative Central Office admitted the result was disappointing but insisted the low turnout, which slumped by almost half to 46 per cent, one of the lowest ever in a south Wales election, indicated a for Labour. The people of

disfilusionment with Labour's
"gesture politics".

Mr Toulig won the
Wales, like people all over
Britain, cannot wait to see the
back of the Tories." Although Mr Touhig won the traditionally safe Labour seat with just over 16,000 votes - 69

per cent of those cast. He takes per cant of those cast. He takes over the seat from Mr Neil Kinnock, the former Labour leader. Plaid Cymru, the party which campaigns for independence for Wales, improved its performance to come second with nearly 13 per cent of the vote and the cent of the vote and the centrist Liberal Democrats came third with about 11 per cent. Mr Buckland won just 4 per cent of the vote despite his

campaign claims to be the main challenger to Labour. Mr Tony Blair, the Labour leader, halled another by-election success, saying: "This is another fine victory

the overall Labour vote fell to 16,030 from 30,908, party managers expressed satisfaction that their share of the vote had held up despite

the reduced turnout.

• Mr Neville Trotter, north east England's longest serving current Conservative MP, is to stand down at the next general election. He was re-elected to his Tynemouth constituency in 1992 by a majority of 597 votes, making it one of the government's most marginal

Imminent boundary changes will remove from the constituency a solidly Labour district which includes part of the Meadow Well estate where

صكنات الاعل



members to

start voting

on takeover

together with copies of the 100-plus page document explaining the board's reasons

or recommending the deal.

Approval would lead to C&G

becoming a separate subsidiary of Lloyds, both selling its

own mortgages and designing home loans for Lloyds to sell,

perhaps as a co-branded prod-

It would represent the hig-gest shake-up in the UK mort-gage market since Abbey National became a public lim-

By Alison Smith

Brit Biotech shares fall 99p as trial suspended

garden Mag

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One of the UK's leading biotechnology companies yesterday saw more than £70m wiped off its market value after announcing a serious setback in the development of a new cancer treatment.

British Biotech, which dropped two other research programmes last year, said tri-als involving batimastat - one of its most promising new drugs - had been suspended following "unexpected side effects" among patients. The shares fell 99p to 491p.

Some 40kg of the drug, halled as the first treatment for incurable ovarian and abdominal cancers, has been recalled by British Biotech which has spent more than three years developing it. The problem, thought to

have been in organic solvents used to make the drug soluble, has forced the company to postpone further trials until June, when it expects to receive regulatory approval to

uncomfortably reminded.

than inspiring them.

patients no good.

technology company.

British Biotech's news was

only the latest blow to a sector

that spent much of last year

disappointing onlookers rather

There was a series of disas-

ters late last year, with US

companies such as Synergen of

Boulder Colorado being forced

to abandon their only signifi-cant product when clinical tri-

als revealed that they did

In such cases the shares fell

by 50 per cent or more. For

Synergen it was the end. Its

remains were bought by

Amgen, the world's biggest bio-

nies raised more than \$400m

(£258m) in public offerings in January 1994. The figure for

January 1995 was less than

\$50m. Until now the UK has been

relatively immune. In recents months the UK's top three,

British Biotech, Celltech and

Scotia, which had, until yester-

day, a combined market capi-

talisation of £700m, have seen

their share prices rise. British

Biotech entered the world's top

SKB fails to

hit promised

SmithKline Beecham has failed

to reach the year-end debt and

gearing levels it promised last

its annual results on February 23 that the sale of the animal

health division was completed too late to be included in 1994's

results.
One City analyst estimated

that this would leave it with net debt of £2.6bn, correspond-

ing to gearing of 300 per cent. SmithKline announced the

sale of its animal health divi-

sion to Pfizer, the US drugs

company, on November 23. The \$1.45bn (£980m) price would

have been enough to cut debt

and gearing to within the com-

pany's forecasts of 120 per

cent, but the deal was not com-

The gearing promise had

been made to reassure inves-

tors that SmithKline's acquisi-

tions spree last summer would

not cripple it with debt. It had

spent \$2.3bn on DPS, a US.

drugs distributor, and another

\$2.9bn on Sterling Health of

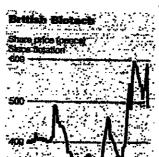
pleted until January 19.

The company will reveal in

debt levels

By Daniel Green

US investors have taken



"We're confident that we have identified the cause and we're changing the process," said Mr James Noble, finance

If the shares fail to recover, the company could run into funding problems. It has some £50m in reserves, but it is "burning cash" at a rate of £3m a month and will need fresh capital next year.

It had hoped to raise £47.6m

leaves investors nervous

Biotechnology is a risky business, as investors are regularly and the risky biotechnology sector

British Biotech argues that

is not in the same kind of trou-

ble as Synergen. Its problem

appears to be to do with a new

production method for its main

drug batimastat, a treatment

for various types of cancer. But

the difficulties will be a

reminder that some of the sec-

tor's problems are self

British Biotech had

embarked on a strategy of mar-

keting batimastat as quickly as

possible. The company trun-

cated early clinical trials to

move rapidly into the final

stage, the one that counts for

At the same time it arranged

its funding to be partly depen-dent upon the speed of prog-

ress. In April 1994 the company

issued warrants, as part of a rights issue, exercisable in Jan-

uary 1996 to raise up to £48m.

rant holders were going to be

able to decide whether or not

to exercise the warrants knowing the results of the trials.

Most biotechnology compa-

The High Court yesterday gave

its blessing to the sale of the 39.5 per cent of Wellcome owned by the Wellcome Trust.

Glaxo, which has launched a

hostile £9.2bm bid for Wellcome, said the decision meant

another condition of the offer

Wellcome also claimed vic-

tory because the High Court forced changes to the terms of

the offer. Under the original

Shares in KBC Group plunged

23p yesterday to close at 38p,

following a profit warning issued at the close of trading

The construction and devel-

opment group warned it would

be cutting the final dividend to

0.5p which would reduce the

total from 4p in 1993 to 2.25p. Profits before tax and excep-

tionals - due to be announced

on March 28 - were expected

on Thursday.

EBC shares fall 23p

after profit warning

has been met".

That is now unlikely.

The timing was tight. War-

10 of biotechnology companies by market capitalisation.

nies face the same problem. They want product sales to

issue. They can be exercised at the end of the year at 525p, 34p above yesterday's closing

The 1.2m members of Cheltenham & Gloucester Building Society will next Mr Noble pointed out that the shares had fluctuated between 340p and 620p in the week begin voting on whether past year and the price could be revived by positive news on to accept the £1.8bn cash offered by Lloyds Bank for the Voting papers will be sent out in the next few days

other drug programmes.

The company also said that batimastat was showing encouraging results in treating malignant pleural effusion, a complication in lung cancer and it had high hopes for lexipafant, its treatment for pan-creatitis, also in phase three

Some City analysts, however, were more pessimistic. "If the solvent has simply highlighted an underlying problem with batimastat, then that could be very bad news," said Mr Ian Smith at Lehman Brothers. Others were more sanguine. Mr Duncan Moore at Morgan Stanley said the market had

They want product sales to

bring in cash rather than

rights issues. As the chief exec-

utive of one company put it:

"There is an incredible ten-

dency for companies to short-

cut drugs development under financial pressure."

Some managements are seek-ing to spread their risk by

But developing more drugs is

expensive, and equity investors

The answer for some has

been to sign away marketing

drugs companies in return for

cash. Others have set up other businesses to generate sales to

fund research and develop-

In the UK, Celltech has part-

nerships with Merck of the US

and Germany's Bayer while

Scotia has a thriving nutri-

British Biotech's disappoint-

Kleinwort Benson, the house

broker, said EBC had suffered

from a lack of commercial

property investment in the south west, combined with exc-

eptional charges from its with-

drawal from private housing in

1992 and write-downs of assets.

charges of £5.8m would be

made to cover a write-down in

the value of land and property

The group said exceptional

ment yesterday may give these

are scared to pay for it.

cals companies.

tional business.

boost.

of Wellcome Trust stake

There may be an alternative.

ited company in 1989. In order to proceed, the overreacted given the prostransaction must be approved pects of Biotech's other drugs. by separate resolutions of C&G's borrowers and investors. C&G's members can vote in person at a special meeting Reduced immunity on March 31, or they can vote

For the borrowers' resolution, a simple majority of those voting in favour is enough.

The investors' resolution, however, must be approved by 75 per cent of those who vote. It must also be approved by at least half of the number of investors eligible to vote, or investors holding 90 per cent of the total balances of those eligible to vote.

C&G says that almost 90 per cent of its investors should be able to receive a share of the cash. The more difficult voting hurdle may be the level of turn-out rather than the proportion voting in favour. Voting papers will be accom-

panied by a C&G advertising developing more products at once, rather like pharmaceuticampaign, urging members to vote. C&G will not be allowed to reveal information about it before the special meeting, but it will be able to step up its advertising if it looks as though the minimum turn-out might not be met.

> disgruntled because the rele-vant legislation does not enti-fle them to share in the cash hand-outs because they do not qualify as long-standing investors. A pressure group has managed to call another meet-ing to discuss the plans, but C&G has not yet announced the date, and by the time it takes place many thousands of members could already have

voted by proxy. lower risk strategies another At the same time as C&G sends the transfer document to members, Lloyds Bank will **High Court approves sale** issue a circular to shareholders, ahead of a meeting on March 30 when they can vote on the bid.

Lower debt unequivocally accepted Glazo's offer between then and the helps Birse first closing date of March 8 could only have been accepted reduce loss by the Trust under certain circumstances and only by invok-ing a withdrawal procedure. to £678,000 Wellcome said this did not

By Andrew Taylor,

give the maximum opportunity for a higher bid to be made. The new acceptance date for the Trust's stake is March 8. See Weekend Money Birse Group, the contracting, plant hire and housebuilding company, cut pre-tax losses from £1.4m to £678,000 during the six months to the end of October. Turnover fell 22 per cent decline in turnover to £153.8m, compared with

A reduced net interest charge of £1.23m (£1.98m) reflected the group's success in lowering net debt to £23.7m (£41.3m) following its capital reconstruction in December

However gearing was still at 71 per cent. Birse hopes to cut borrowings further by reduc-ing the amount of capital employed in the housing division as properties are sold and through successful pursuit of claims on some outstanding

large road contracts.

Mr Peter Birse, chairman, said: "The results for the first half confirm that the effects of the severe recession in the UK construction industry have continued to take their toll on the financial performance of the group. However, evidence is emerging of an upward trend in trading activity arising from the benefits of our more selective tendering

approach and improving level of inquiries." As a result the decline construction turnover for the full year was likely to be nearer 10 per cent that the 20 per cent fall of the first half.

Plant hire profits more than loubled to £775,000 (£318,000) as crane hire and specialist piling equipment benefited from increased construction activity. Losses per share were 0.3p

(2.1p).

Cheltenham | Pru directors to enter final appeal

Mr Mick Newmarch, former chief executive of the Prudential Corporation, and Sir Brian Corby, the life insurer's nonexecutive chairman, are to enter into a second and final Stock Exchange appeals procedure following its probe into a share option transaction last

Both are to inform the exchange that they intend to appeal to the exchange's quota-tions committee in an attempt to fully exonerate themselves of any possible breaches of

exchange rules.

The decision to appeal will involve the quotations committee examining the same evi-dence as was covered by the utive. Crucially, however, the quotations committee appeal

will be heard by City of Lon-don "market practitioners", directors and other individuals who work in the City. The only exchange board member on the quotations committee is Mr Ian

If the appeal is lost, both could receive a public reprimand from the exchange. That is also likely to be the trigger for Mr Newmarch to speak publicly for the first time since he resigned," said one adviser.

Mr Newmarch is likely to be highly critical of a range of public institutions including the Treasury and the Securi-ties and Investments Board. He may also criticise the exchange's handling of the

share option deal probe.
"He will go for those bureaucrats who are defending the indefensible self-regulatory regime in order to safeguard

their own personal situations," an insider said. close connection with the It has also emerged that Mr

Michael Lawrence, chief execu-Mr Newmarch has been angtive of the Stock Exchange and ered by the length of the inves former finance director of the tigation and various leaks to Prudential, was forced out of newspapers. In particular, he strongly denies having said in Mr Lawrence left to take up a meeting with Mr Kenneth Clarke, the Chancellor, before his post at the exchange last publication of the SIB report year. Before that he was asked to tender his resignation folthat the document would his

lowing personality clashes at the Prudential share price. Mr Newmarch exercised and sold 208,750 share options just the company. "He was asked to go," one insider said. The Pru's annual report for 1993 shows before the report was pubthat Mr Lawrence received a lished, yielding him a profit o £249,850 "supplementary pen-

The first stage of the appeal process took place this week after a preliminary finding that Mr Newmarch had breached the exchange's model code covering directors' dealings. The exchange also believes Sir Brian was wrong to authorise

Rocket sends out shock waves

orthern Electric yes-terday fired a rocket which not only appears to have crippled Trafalgar House's hostile £1.2bn offer, but will also cause considerable turmoil in the boardrooms of the other 11

regional electricity companies. The fact that one rec has managed to restructure its balance sheet so radically while still offering substantial dividend growth over the next two years will not go unnoticed by shareholders.

They are likely to press for similar financial restructuring from the others. "Northern has set the standard in terms of what is an appropriate financial structure for a rec," says Mr Andrew Wright, electricity analyst with Smith New Court. Institutions support this view. "It reflects the fact that when the recs were originally floated, they were hugely over-capitalised," said one. "And

there is no reason why they should continue to be so." Most felt that the package unveiled by Mr David Morris, Northern's chairman, merely accelerated the trend which the utilities would have to follow under an increasingly rig-

orous regulatory regime. The companies have long acknowledged that they would be forced to reduce dividend cover and gear up the balance sheet, but had hoped to stretch the process over several years. Northern's defence makes that delay less likely. Dividend cover, always expected to fall to about two times by the year **Peggy Hollinger** on the repercussions for other recs of Northern Electric's restructure package

When Mr Newmarch resigned last month the Pru

revealed that the exchange was

investigating a share option deal he carried out last Octo-

ber. The exchange has stated

that Mr Lawrence has not

played any role in the investi-

his post at the Pru.



David Morris: set standard for appropriate financial structure

to hover at around 3.5 times. still pay attractive Debt as a proportion of shareholders' funds will jump to 225 per cent in the short term, falling to 100 per cent by

the turn of the century. This is closer to the experience of the US utilities which, company in the UK resorted to supported by secure cashflows, preference shares as a defence

2000, will now drop to about can live quite comfortably with 1.7. Interest cover is expected very high levels of gearing and One of the most intriguing aspects of Northern's defence

is the preference offer which

has been underwritten for cash

at a guaranteed £1 per share. Never before has a target

weapon. Indeed, bonus preference issues have never been underwritten for cash in the UK, according to SG Warburg Northern's advisers.

Warburg also claims that it has created value for Northern shareholders which was not there previously, by taking advantage of a new market. Income funds are hungry for prefs they argue, particularly since the instruments have become eligible for personal equity plans.

Corporate financiers are wary of the enthusiasm with which Warburg describes potential interest. "There should be a lot of demand. said one banker, "but that has yet to be proved. The trouble is they are exploring new terri-tory, and when you do that it's always risky."

However, the wisdom of underwriting the preference shares could not be disputed "A lot of the rec shareholders might not be natural pref holders," the banker said. "Under writing ensures that they will

end up in the right hands. The recs for their part are to. However, some seek solace in the fact that Northern substantial hidden value in the sector which could lead to a re-rating and make them less

SBC chief steps down from SFA board

By Norma Cohen and David Wighton

Mr Rudi Bogni, Swiss Bank Corporation's UK chief executive, has stepped down from the board of the Securities and Futures Authority while it examines the bank's dealings in electricity shares ahead of Trafalgar House's bid for North-

The SFA said that in a letter dated Feb- would consider resigning from the SFA if privileges.

ruary 9, Mr Bogni notified the board that it launched a formal investigation into the "in view of the specific scrutiny exercised by the SFA in respect of SBC, he considered it proper for him to forbear from participating in any meeting or further activity of the SFA board or committees until further notice". The letter was read to a full board meeting on February 13. Last weekend Mr Bogni denied that he

controversial derivatives contracts SBC struck with its client Trafalgar House. After agreeing the contracts SBC's marketmakers sharply increased their holdings in Northern and Yorkshire Electricity, which they did not disclose. The SFA is examining whether SBC breached its rules on Chinese Walls and marketmaker

Scholey gives

directorships

up two outside

Sir David Scholey has stood

down from two outside direc-

torships in order to devote

more time to his new role as

chairman and chief executive

of SG Warburg, the invest-

First Choice defends chief's pay

Owners Abroad, yesterday vigorously defended total emoluments of more than £900.000 last year for the chief executive and deputy chairman. Mr Francis Baron, the chief executive, received a total of £463,000, according to the annual report and accounts. The figure includes a bonus of £140,000 for achieving profit

First Choice Holidays, formerly

targets.
The group lifted profits before tax and exceptional items by just over 50 per cent to £23.3m on sales of £821.8m. at the group, which changed its name from Owners Abroad 2210,000. Mr Cossey, 51, will last August. Mr Baron took charge of the group at the end of 1993, shortly after it had issued a profits warning. The warning came hard on the heels of a hostile

takeover bid from Airtours, the rival tour operator, which was rebuffed. The chairman and managing director resigned after the warning, and the finance director resigned later. Mr Errol Cossey, deputy chairman and sole survivor of the former board, received a

total of £450,000 in 1994, up from £282,000 previously. The latest sum includes a one-off pension contribution of

retire on April 30. The group said yesterday ket share had grown from a low of 9 per cent to 12 per cent in 1994 and the trend was continuing. "His salary and bonus are in line with his achievement through an extremely taxing time that did risk the continuance of the company."

Mr Cossey had provided a link back to the previous board through "a turbulent phase". Bearing in mind his contribution and his early retirement, it was appropriate to add an additional pension contribu-

ment bank. He has resigned as a gover-

nor of the BBC, a job he took on in 1994, and as a director of General Electric Company,

where he had been since The move comes in the wake of Warburg's failed merger with Morgan Stanley of the US and management changes announced this week. In the

shake-up, Lord Cairns resigned as chief executive and Sir David stepped in and combined the role with his existing chairmanship. "As of last weekend he is full-time chief executive and chairman. That is now the principal focus of his atten-

tion," Warburg said yesterday. Por the time being be retains four outside non-executive roles, including his place on the court of directors of the Bank of England.

Rathbone acquires Laurence d in hy-election Keen for a maximum £25m

By lan Hamilton Fazey,

Rathbone Brothers, the private banking and asset management group, has bought Laurence Keen Holdings, the private investment manager and stockbroker, for an initial 59.96m in new shares.

More shares will be issued over the next three years as deferred consideration, depend-ing on performance. The total will not exceed £25m or the value of 14m new shares, whichever is the lower. Rathbone's shares gained 5p The acquisition will create pension funds, Standard Life yesterday to close at 278p.

an asset management group with 16,000 clients and £1.7bn under discretionary management. The enlarged group will also act in an advisory capacity on another 2780m of funds. The deal has been financed by the issue of nearly 3.8m new shares. More than half have

been placed at 256.5p with Caledonia Investments, the trading and investment group.
This will give the Cayzer family, which controls Caledonia, slightly more than 8 per cent of the enlarged group -ahead of Rathbone's other large shareholders, which include British Coal, British

and Scottish Widows. Mr Roy Morris, Rathbone's managing director, said pre-tax profits for 1994 would be not less than £6m (£5.25m), with a final dividend of at least 6p, bringing the total to 9p (7.5p). Laurence Keen made 21.02m on turnover of £9.48m in the 50 weeks to April 22 last year. Mr Morris said the two groups had similar client bases

and complementary operat-Rathbone's 170 staff are based in Liverpool and the West End of London, with 18 in Geneva and three in the Brit-ish Virgin Islands. Laurence Keen has 82 staff in the City.

Southern 'in takeover talks'

By James Whittington

Shares in Southern Business Group closed 6p higher yesterday at 65p as the photocopier and vending machines supplier announced that it was in talks that might lead to its takeover. The announcement was triggered by a 13 per cent rise in its share price on Thursday amid speculation that Danka

Business Systems, the acquisi-

was a potential bidder. Mr David McErlain, Southern's chief executive, would not name the company. He said discussions were at a preliminary stage and no serious offers had been made "We've had discussions with lots of people over the past year and absolutely nothing

new has happened yet." Nor would Danka comment it operates mainly in the US. Since it entered the UK market in 1993 it has acquired a number of private office suppliers.

shares rose 3p to close at 368p.

Although it is listed in the UK

Analysts said another potential bidder was Alco Standard Corporation, the US paper distributor and office equipment group, which bought Erskine House in 1993.

RESULTS					<u> </u>	<u> </u>				
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Investment Trusts .	MAY (b)		utable pa (Em)	Er:	(a)	Correct payment (p)	Date of phymeol	Contesponding Guidend	Total for year	Total last year
Baring Tribune Yr to Dec 31 City Merchants Yr to Dec 31 Flowboxy Seather Yr to Dec 31 Throggantian Yr to Nov 30 Tract of Property Yr to Dec 31	371.7 (417. 140.7 (146. 165.1 (171. 78.9 (79.1 78.9 (106.	2) 2.98 A) 0.57 B) 7.28 B2) 0.107	(3.27) (1.55) (0.44) (10.9) (0.106)	5.79 10.53 3.3 2.37 1.817	(6.38) (9.02) (3.2) (3.67) (1.612)	5.06 3 2.2* 1.4 1.8574	Apr 10 Apr 13 Mar 30 - Apr 7	4.9 2.4 1.4 1.4 1.5785	6.75 9 3.4 2.3 1.8574	6.6 8.4 3.2 ≤ 2.3 1.5785
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tive office equipment group, on market rumours, but its

Banca di Roma to take over BNA for L1,000bn

The Banca di Roma group is to take control of the loss-making Banco Nazionale dell'Agricul-tura (BNA). The deal will create the largest banking organisation in Italy, with assests and liabilities of more than L190,000bn (\$118.6bn). The takeover, agreed late on Thursday, will cost Banca di

Roma at least L1,000bn. The deal marks a another important stage in the consolidation of the Italian banking system, as leading banks expand by taking over smaller

financial institutions. The merged group will strengthen Banca di Roma's hold over banking in central and southern Italy. It follows the conclusion last month of the battle by Credito Italiano. the big Milan bank, to gain control of Credito Romagnolo, the profitable Bologna-based

Banca di Roma, which is still 35 per cent-owned by IRI, the state holding company, will need Bank of Italy approval for

Motorola's share price dropped

sharply yesterday when the

company revealed that excess

inventories of its cellular tele-phones had built up in US

retail channels during the

Cellular telephone sales

boomed in the US over the busy Christmas period, but Motorola's shipments

There are now an estimated 24m cellular telephones in use

in the US, and the world mar-

ket grew by about 50 per cent

The excess stocks "should be

gradually reduced to more

normal levels over the next

few months", the company said. No write-off charges are

last year, Motorola said.

reased at a rate that out-

fourth quarter of 1994.

paced sales.

Share price (Lire)

2.200 2,000

is expected to be more than happy to see BNA rationalised under new ownership and

1,400 -

Banca di Roma - the product of a merger between Banco di Roma, Cassa di Risparmio di Roma and Banco Santo Spirito – has had its eye on BNA for

BNA recently became vulnerable when Count Giovanni Auletta, its main shareholder. was unable to meet the bank's increasing requirements for

Motorola is the world leader

in the cellular telephone mar-ket. Its "flip phones" have

become popular in the US, sell-

Its statement appeared

designed to moderate financial analysts' expectations for the company's 1995 performance. The share price dropped 9 per

cent to trade at \$58% in mid-

session, down from Thursday's close of \$64%.

said yesterday they were

reviewing their projections for

Motorola's performance in 1995. Mr Robert Maire of Mor-

gan Stanley said he had low-

ered his earnings-per-share

75 cents, from 85 cents.

estimate for the first quarter to

Motorcla also said sales and

orders for its Motorola Inte-

grated Radio System (MIRS)

equipment continued to be

Several financial analysts

ing for less than \$100.

Phone inventory build-up

Banca di Roma is buying 53 per cent of the ordinary shares and 36 per cent of the savings shares of Bonifiche Siele. which holds 48 per cent of

It will then make a public offer for the rest of the shares, of which 20 per cent is held by Credito Italiano, the Milan-based bank which once sought to control BNA via a hostile

takeover. Given Credito's cash needs following its takeover of Rolo, it is likely to sell.

The price is based on L36,000 an ordinary share and L7,500 a savings share, a premium of 27 per cent and 47 per cent respec-tively on the stock market value prior to Thursday's

Banca di Roma's initial outlay is almost a quarter of that being paid by Credito, although the two institutions are similar in size. However, BNA is understood to have in 1994, with some L2,000bn of

dian publisher, owns a further

The Australian Broadcasting Authority is considering whether Mr Packer's recent purchases have breached the country's media cross-owner-

hits Motorola share price Nextel, which has announced ambitious plans to build a nationwide network of integrated mobile communica tions services, has slowed its MIRS purchases as it concludes

a series of acquisitions.

These "short-term" problems will slow the rate of internal shipments of components, including semiconductors and batteries, to the divisions that produce cellular telephones and MIRS equipment, Motorola

that its semiconductor operations anticipated increased costs and start-up inefficiencies as new manufacturing capacity was added this

Motorola said it planned to increase capital spending by 36 per cent, to \$4.5bm, this year. This would mean a big rise in depreciation expenses in 1995.

share trade focus shifts to Murdoch

By Nikki Talt in Sydney

Fairfax

Heavy trading has continued in the shares of John Fairfax, the Australian newspaper publisher in which Mr Kerry Packer, the Australian businessman, has been actively raising his stake recently. However, the attention is now shifting to Mr Rupert

Murdoch, the Australian media magnate. By the end of trading yesterday, more than 10m shares had changed hands, and the price had climbed 20 cents to

Much of the buying, however, was said to be by J. B. Were, rather than E. L. and C. Baillieu, the stockbroker which has been dealing on behalf of Mr Packer over the rest week. the past we

J. B. Were has acted for Mr Murdoch in the past, so there was immediate speculation that he, too, may be raising his stake in Fairfax.

Mr Murdoch first disclosed a small interest - less than 5 per cent - in Fairfax in July, cent — In Fairlas in July, although this was described as a "passive investment". Mr Conrad Black, the Cana-

25 per cent of Fulriar's shares, but he is pegged at this level by Australia's rules governing foreign ownership of media

Ore exporter posts record

Brazil's Companhia Vale do Rio Doce (CVRD), the world's largest iron ore exporter, has reported record operating profits, helped by increased output and high commodity prices, writes Angus Foster in São

Net profits reached R\$546m (US\$461m) for the year to December 31. It was the best result since 1969, when profits were inflated by financial gains on debt trading.

Groupe Bull in black as sale nears

Groupe Bull, the French is being privatised, returned to profit at the operating level in 1994, and is forecasting a posttive net result for 1985. The company, one of the hig-gest loss-makers in the French

public sector over recent years, made an operating profit of FFr237m (\$45.7m) in 1994, against a loss of FFr1.89bn in After provisions, the net loss

was cut from FFr5.1bm in 1998 to FFr1.96bn.

Mr Jean-Marie Descarpen-tries, chairman, said the improvement reflected the impact of the restructuring implemented when he took over as chairman in autumn 1993. He said the increase in sales last year, by 6 per cent to FFr29.92bn, the first improvement since 1989, reflected the development of a viable recovery programme rather than a short-term rescue mission based on job cuts and asset

"We did what we said we would in 1994, but there is still much work to be done," Mr Descarpentries said. He said reduced costs and financial charges, the division of the company into specific product and service areas, and reinforced industrial partnerships would allow it to proceed with privatisation in a good

The chairman declined to comment on details of the privatisation, which is being

the Seita operation will bring about FFr6.5bn (\$1.1bn) in

receipts for the state, adding to

already recouped from public sector asset sales. The govern-

ment will retain a 10 per cent

holding in the tobacco monopoly, with a 25 per cent stake

held by a group of long-term

Mr Alphandery said the gov-ernment would now take a

pause in its privatisations programme until after the pre-

dential polls. However, he stressed that other companies

were being prepared for sale.

These include Assurances Gén-

the more than FFr100h

However, five companies on a short-list seeking stakes of more than 10 per cent have until February 22 to make binding offers for Bull shares. The French government is then expected to decide within one month the company's capt-

tal structure. The list includes existing shareholders such as NEC of Japan. Motorola and Sequent of the US, and IPC of Singapore are also among the candidates while Quadral of France has formed an alliance with AT&T of the US to propose buying at least 40 per cent of the

Several other companies are considering taking stakes of less than 10 per cent. The gov-

pursued through the sale of stakes to industry partners. ernment is seeking to reduce its 76 per cent stake to a minority, with France Telecom expected to maintain its hold-

ing of 17 per cent. The strongest recovery in Bull's operations was achieved at Zenith Data Systems, the personal computer division, which broke even last summer after a series of big losses. The five other activities classified by Mr Descarpentries as growth areas also reported

strong increases. Non-salary costs were cut by FFr1.4bn, salary expenses by FFr1.1bn, and financial costs by FFr700m. Productivity rose 20.4 per cent, from a workforce which fell from 31,700 at the end of 1993 to 27,900 at the end of last year. Net debts were halved to FFr2.9bn.

Seita sell-off given warm reception

More than 1m individual investors have subscribed for shares in the privatisation of Seita, the French state tobacco monopoly which includes the Gitanes and Gauloise brands, the government said yesterday.

Mr Edmond Alphandery, the
economy minister, said the
issue was subscribed 3.9 times

by individual investors. He described the response as "remarkable", given the weakis of the stock market, and said it demonstrated popular support for the government's programme of selling 21 public sector groups. Officials had previously announced that institutional investors had subscribed for more than nine times the shares they had been

érales de France, the insurer and Usinor Sacilor, the steel manufacturer. The sale of Groupe Bull, the



Edmond Alphandéry: the government will take a break

vatisation is proceeding through the purchase of stakes

by industry partners rather than via a public issue. The subscription rate of 3.9 times the allocated shares was among the highest so far. It compares with the lowest rate, of 1.4 times, for the Renault share flotation and a high of 5.2 times for the privatisation of Banque Nationale de Paris, which was sold in 1993.

The French economy minister took a swipe at Mr Lionel Jospin, the Socialist candidate in the forthcoming elections. Mr Jospin said this week ha would halt the privatisation programme should he win the April/May election. Mr Alphan-dery, however, claimed the success of the Seita sale and the strong response from employees showed the Socialist candidate was "living in the

Record pre-tax profits at SSAB

A turnround in demand and prices for steel in Europe lifted SSAB, the Swedish steel group privatised in 1992, to a record profit in 1994. SSAB said pre-tax profit unped to SKr214bn (\$2911m)

last year from SKr802m in 1999. "We were able to increase volumes both in the steel business and in the processing and trading operations," said Mr Leif Gustafsson, chief executive. "This, in combination with improved margins in the steel business, is the explanation for the profit improve-

Sales rose to SKr15.7bn from SKr18bn, feeding through to a near three-fold rise in operating profits to SKr2bn from SKr748m. Sales in the biggest division, the Tunnplat steel plate operation, advanced to SKr8bn from SKr8.5bn, yielding an operating profit for the

business of SKr1.2bn. pared with SKr407m

SSAB said steel consumption in western Europe had turned around in 1994 after four years of decline; prices followed in the second half of the year. This gave SSAB an average 16 per cent increase in prices over

The annual dividend was raised to SKr10 a share from SKr7 last year. SSAB also amounced there would be a 4-for-1 share split in June.

Aircraft group's change of heart

McDonnell Douglas, the US aircraft manufacturer, has decided against temporary closure of its production line for the MD-11 aircraft, writes Michael Skapinker. Earlier this month it said it

might have to consider stopping production of the threeengined 300-seat aircraft because of an order shortage. Mr Harry Stonecipher, chief executive, has now ruled out

COMPANY NEWS: UK

A warning too far leaves the City in truculent mood

the building materials and print and packaging group which issued a profits warning on Thursday, may have disappointed the market

one time too many.

Tough competition in the building materials sector is in part responsible for Norcros predicting a pre-tax loss after provisions in the year to March 31, but observers believe that management must take a share of the responsibility.

"It is hard not to conclude that the management is some-what to blame," said Mr Kevin Cammack, analyst at Smith New Court. He added: "Either Doherty or Allcock [group managing director) will have to carry the can."

is equally tough. Mr Alan

Rowkett chief executive of Berisford International, which bought the Magnet kitchen and joinery business in March, said: "I don't recognise the con-cerns they are talking about." On Thursday, Norcros warned that profits before pro-visions would be £8m-£9m below expectations, the final

dividend would either be cut or

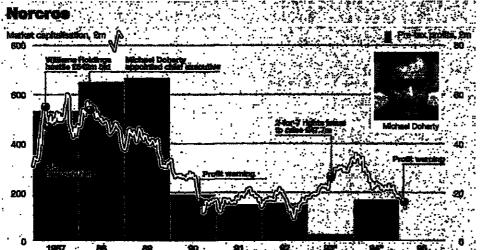
passed, and a further rational-isation programme was being undertaken. The shares have dropped by 20 per cent to 78p in two days. The major culprit has been the building products division, the group's biggest sector, where there will be "a marked reduction in profitability" from the £1.64m that the division made in the first half. Provisions, which will include a

property write-down, are expected to be £10m-£15m. Analysts now estimate that Crosby Sarek, maker of timber doors and windows, and the Crittall Windows business will make a loss of £5m between them. Mr Robin Hardy, analyst at Panmure Gordon, claimed: There are a whole series of huge holes in the division."

It is the reasons given for the division's troubles that have called management credibility into question. Mr Doherty put most of the blame on large rises in raw material costs. Timber prices over the last year had increased by between 20 per cent and 40 per cent, he

But some of Norcros' com-

r Michael Doherty. Geoff Dyer looks at reaction in both the market and industry to Norcros' latest problems



petitors claim not to have been iffected so badly by raw material costs. Mr Bowkett of Berisford puts the annual increase at between 4 and 8 per cent. Spring Ram, the kitchen bathrooms and furniture group, says the figure is below 10 per

Mr Howard Seymour, analyst at BZW, said: "It does look like Norcros' costs have increased more than other companies." Mr Michael Towers, finance director at Spring Ram, says that raw material costs reflect ent expertise and the strength of the balance sheet. "If you are on top of distribution, alert to market conditions and have a balance sheet that gives you the flexibility to go into the market at the times you want to, then you can manage raw material costs." Norcros currently has gearing

ompetitors agree with Norcros that the door market has had overcapacity of up to 20 per cent since Spring Ram opened a new Regency Doors plant at Barnsley in November. But according to Mr Bowkett, Mag-net's door factory in Penrith is operating flat out.

Observers question the group's optimism at the beginning of the year when it said the building materials market

was recovering well. Even at the interims in November the group said that Crosby Sarek continued to benefit from the improvement in the new housing market." Mr Cammack said: "It smacks of complacent management. They have not acted quickly enough to address the issue of costs and were relying on the market to

bail them out." The group's past history of raising false expectations encourages speculation of management changes. Mr Doherty joined the group as chief executive in 1988 from Cope Allman International, the amusement machine, packaging and engi-

neering group.

A restructuring plan, including the disposal of non-core businesses was soon launched, slump in profits in 1989 and 1990 forced the group into heavy redundancies and cost-

By 1992 Mr Doherty was confident that the restructuring was completed and the group could resume growth again. In June 1993 it raised £49.7m, in a two-for-seven rights issue at 132p to reduce debt and finance bolt-on acquisitions. But the problems have not disappeared.

So what now? Mr Doherty admits that the group is conbut declines to specify. Severe Sarek where the commodity door business could be discor-

nalysts do not rule out a sale or closure of the company, although Mr Allcock points out that the specialist and architectural door businesses, which account for nearly half of sales, are doing well. Crittall Winws will also be a candidate

for disposal.

In the longer term, some analysts believe that the group will change its emphasis from the building products division to the ceramics and print and ckaging divisions, which it is keen to stress are perform-

ment has pressing problems. Mr Malcolm Brown, analyst at James Capel, estimates that gearing will rise to 60-70 per cent and the company might be forced into a rights issue. Mr Allcock rejects this, saying: "I don't think a rights ue would be appropriate at this time. We can improve earnings significantly from the businesses we already have." But if the group does go to the market for more capital, the board could find that share-

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Fears of a repeat of the supply squeeze that attended the expiry of the December futures position buoyed cocoa prices at the London Commodity Exchange this week.

The May delivery contract peaked on Tuesday at £1,043 a tonne, the highest second position level since August 30, 1994, and the premium for the prompt March contract widened at one time to £13 a tonne. The price slipped back to £1,022 at yesterday's close, still £15 up on the week, while the March-to-May premium narrowed to £10.

At the end of last week the March contract had been at a £1 discount to May, but even that bore witness to fears of a renewed squeeze. In normal circumstances the prompt con-tract would be expected to be at a discount of between £10 and 220 a tonne, reflecting the holding costs - warehousing, insurance and foregone interest - being avoided by holders of forward positions.

When there is a shortage of supplies available for immedi-

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tornes	cicse)	
Aluminium	-18,100	to 1,466,700
Aluminium edicy	-380	to 30,140
Copper	-4.550	to 290,525
Leed	-4,475	to 319.56
Nicial ·	-1.308	10 184.79
Zinc	-7,700	to 1,127,200
Tin	-165	to 25.860

ate delivery this position can be reversed - but this is clearly not the case in the cocoa market at present.

"There is a huge amount of tenderable cocoa available that is graded and available to be delivered," one trader told the Reuters news agency. "The only problem is that [that] particular cocoa is already owned." Others explained that the supply fears resulted from two US trade houses holding cocoa off the market, forcing others into a scramble to secure deliveries.

	Letest	Change	Year	19	94/5
	prices	OU MANY	200	High	Low
Gold per troy oz.	\$378,40	1.80	\$378.50	\$396.50	\$389.50
Silver per troy az	300.15p	-4.85	348.5p	384.50p	299.55p
Aluminium 89.7% (cesh)	\$1880.5	-29.5	\$1300.5	\$2106.5	\$1107.5
Copper Grade A (casta)	\$2888.0	-8.5	\$1885.5	\$3055.0	S1731.5
Lead (cash)	\$573.5	-1	\$485.5	\$890.0	\$426.0
Nickel (cash)	\$8420.0	+12.5	\$5910	\$10160	\$5210.0
Zinc SHG (cash)	\$1035.5	+13.5	\$967	\$1206.5	\$900.5
Tin (cash)	\$5400,0	-90	3 5650 -	\$8470.0	\$4730.0
Cocoa Futures May	£1021	.±14 .	£919	. 21124 .	. 2859
Coffee Futures May	\$2858	+85	\$1248	\$4091	\$1175
Sugar (LDP Raw)	\$356.4	+11.2	\$271.9	\$368.8	\$252.9
Barley Futures May	\$104,45	+2.20	£103.75	~£106.15	£92.85 ·
Wheat Futures May		+0.50	2100.95		297,80
Cotton Outlook A Index	101.05c	+2.79	80.85c	101.05c	82.45 a
Wool (84s Super)	512p	+2	377p	512p	342p
Of (Brent Blend)	\$17.112	+0.475	\$13.25	\$18.61	\$13.16

COMMODITIES AND AGRICULTURE

The resulting squeeze is rem-	BASE META	ĿS	• •						
iniscent of the one that drove	LONDON METAL EXCHANGE Prices from Amelgamentol Metal Tracing)								
December futures to a £65 pre-									
mium as expiry approached.									
LCE coffee prices were also	ALUMENTUM, 99.7	PURIT 5	er tonne)						
up on the week, despite being	_	Cash	3 puths						
trimmed back yesterday. The	Close	1880-1	191 6- 7						
May futures position, which	Previous	1969-9	1908-8						
had reached \$2,887 a tonne at	Highlow AM Official		1833/1897						
The appear of second least relate at	Karb close	1870-1	1907-8 1917-8						
one stage, closed last night at	Open Mr.	227.317	. : 1011-0						
\$2,880 a tonne, up \$67 on bal-	Total daily turnover	47,850	•						
ance. The climb was fuelled by	M ALLMONIUM ALL		neli						
roaster, speculator and invest-	Close								
ment fund buying, although	Previous	1840-1 1825-35	1880-5 1880-80						
there was no fundamental	Highflow	1523-35	1900/1885						
news to encourage them.	AM Official	1840-50	1880-5						
After a mid-week rally, most	Kerb close		1875-85						
I CONTON Metal Evaluation and	Open Int.	2,767							
London Metal Exchange con-	Total daily turnover	410							
tracts ended modestly higher	E LEAD (\$ per tonne	3							
on the week. The most notable	Close	573-4	592-3						
exception was aluminium.	Previous	572-3	590-1						
The three months copper	High/low		601/500						
price closed yesterday at \$2,882	AM Official Karb close	573-4	592-2.5 596-8						
a torme, up \$3.50 on the day	Open Int.	37,950	390-0						
and \$7.50 on the week. The	Total daily tumpyer	4.227							
market appeared to be continu-	MI NICKEL (\$ per ton								
ing in the consolidation phase	Close								
that began in the middle of last	Provious.	8416-25 8300-10	8580-70 8440-50						
week, following a heavy shake-	High/low	8370	8650/8520						
out that trimmed the three	AM Official	8385-70	8520-25						
wantha williamed the miles	Karb close		8570-80						

that began in the middle of last week, following a heavy shake- out that trimmed the three months price by \$240 in 11 trading days. Dealers told Reu- ters, however, that upside	Close Pravious High/low AM Official Karlo close Open Int. Total daily turnover EE TEM (8 per tonne)	8416-25 8300-10 8370 8385-70 55,859 8,362	8690-7 8440-5 8650/85 8520-2 8570-8
resistance was likely to be encountered at \$2,890 a tonne, while significant technical support was not likely to be found above Tuesday's low of \$2,880.	Close Previous High/low AM Official Kerb close	5395-405 5300-10 5390-95	5490-8 5390-40 5535/544 5485-9 5510-2
In contrast aluminium was thought to have more room on	Open int. Total daily turnover	20,585 4,087	
	E ZINC, special hig	y Stage (2 be.	10000)
the upside. The three months contract closed yesterday at \$1,916.50 a tonne, down \$35 on the week but more than \$100 above the two-month low to	Close Previous High/low AM Official Kerb close	1035-6 1009-11 1017.5-18	1058-9 1033-32 1069/103 1042-3 1067-8
which it was driven by invest-	Open Int.	101,600	
ment fund selling on Tuesday.	Total daily turnover ill COPPER, grade /	14,902	
		(to be sound	
At that time some technical	Close	2887-8	2881-8
traders were predicting a	Previous	2886.5-7.5	2878-9
retracement as far as \$1,650;	High/low	2683/2882	2890/290
but technical support is now	AM Official	2881-2	2675-8
generally expected on any dips	Kerto close Open Int.	232,889	2875-6
close to \$1.870 a tonne, while	Total daily turnover	232,000 27,482	
	•		_
overhead resistance is not fore-	E LINE AM Official	Rt 120 120	2

overhead resistance is not fore- seen until \$1.950.	E LIME AM Official 2/\$ rate: 1.5782 LIME Closing 2/\$ rate: 1.5774 Spot: 1.5783 3 mine: 1.5745 6 mine: 1.5722 9 m III HIGH GRADE COPPER (COMEX)								
Zinc concluded the week's business in fine style, the three									
months price gaining \$24.50 yestarday to close at \$1,058.50 a tonne, up \$12.25 overall. Dealers attributed yesterday's rise to news of another big fall in LME warehouse stocks against a background of healthy consumer demand. LME zinc stocks have now fallen by just over 50,000 tonnes, or 4.25 per	Day's Chenge Bigh low Change Bigh low 135.55 - 0.85 135.60 134.85 1 Mar 133.35 - 1.25 134.60 134.95 1 Mar 133.35 - 0.90 1 131.30 130.00 1 May 130.50 - 0.80 131.30 130.00 1 May 130.50 - 0.80 131.30 130.00 1 May 130.50 1 131.30 130.00 1 May 130.50 1 131.30 130.00 1 May 130.50 1 131.30 1 130.00 1 May 130.50 1 131.30 1 1								
cant, since the end of January.	PRECIOUS METALS								

sum			ME zinc en by just	· Total		51,535 9,489
		be end o	or 4.25 per f January. d Mooney	III LONDON BU	S METALS ILLION MARKET by N M Rothschik	
Change on week	Year k ago	19 High	94/5 Low	Opening 3	78.20-378.60 78.80-377.20	quiv SFr.equiv
1.80 -4.85 -29.5 -6.5	\$378.50 \$48.5p \$1300.5 \$1885.5	\$396.50 384.50p \$2106.5 \$3056.0	\$389.50 299.55p \$1107.50 \$1731.50		378.25 239. 79.00-379.40 76.10-376.50	
-1 +12.5 +13.5 -90 +14	\$485.5 \$5910 \$967 \$5660 - £919	\$890.0 \$10160 \$1208.5 \$6470.0 £1124	\$428.0 \$5210.0 \$800.5 \$4730.0	1 month		5.85 hs5.85
+85 +11.2 +2.20 +0.50	\$1249 \$271.9 £103.76 £100.96	\$4091 \$388.8 2106.15 £117.50	\$1175 \$252.9 £92.85 £97.80	Silver Fix Spot 3 months 6 months	p/troy oz. 300.15 304.65 309.95	US cts equiv. 472.25 479.30 486.75
+2.70 +2 +0.475	80.85c 377p \$13.25	101.05c 512p \$18.61	82.45c 342p \$13.16	1 year Gold Colins Krugerrand Medie Leef	322,20 \$ price 377-380 389,20-391,65	503.90 £ equiv. 238-241
o Cents Ib.	z Apr			New Sovereign	87-90	55-58

BASE META	ALS	••		cious					d
LONDON ME	TAL EXC	HAMOE	H GC	LD COM	EX (10	C Troy	72.; \$/b	ty (ZZ.)	
Prices from Amelga				Sett	Day's			Open	
M ALLMANAMA, 99.				price	وسو				Vol.
	Capts	3 mths	- Pais	378.8	+20	380.0	376.5		
Close	1880-1	191 6- 7		379.2 390.6	+2.0	381.7	778 9	22 71.091	
Previous	1868-9	1979-7 1908-8	生	383.4	+21	395.3	381.6		
High/low		1933/1897		357.8	+21	355.5		16,055	
AM Official	1870-1	1907-8	Opt	321.7	+21	391.7	391.7	-	
Kerb close Open int.	007.047	1917-8	Total			-			19,476
Total daily turnover	227,317 -47,850		# PL	MUNITA		K (50 T)	oy	S/Iroy (22.)
ALUMONUM ALL		eñ.	Apr.	417.2	+0.9	418.0		16,143	3,234
Close	1840-1	1880-5	- Jul Oct	421.1 425.4	+0.9 8.0+	421.5 425.0	420.0 424.0		
Previous	1825-35	1860-80		429.4	+0.9	-	70740	348	54
HighNow		1900/1885	?otal	1007				23,957	2,819
AM Official	1840-50	1880-5	■ PA	LLADILIN	NYM	EX (100	Troy o	z.; \$/tro	y oz.)
Kerb close Open int.	2,767	1875-85	Her .	157.25	-0.05	157.00	157.10	2374	999
Total daily turnover	2,767 410			159.25	-0.25	160.50	158.25	4,725	809
E LEAD (S per tonn			Step	160.65		制器	161.25		-
Close	573-4	592-3	- Dec Total	161.95	-0.25	-	-	53 7.832	1,308
Previous	572-3	590- 1		VER CO	MEX M	OO Trov	œ: O	-,	-
High/low		601/500	Feb	478.5	+4.7	-			
AM Official Karb close	573-4	592-2.5 596-8	Mer	477.0	+45	479.5	471.5	53,969	12.405
Open int.	37,950	3000	Apr	479.5	+4.6				
Total daily tumover	4,227	•	liky Jel	482.3 487.3	+4.8 +4.7	485.0 488.5		28,778 12,834	4,097 500
MI NECKEL (\$ per to	nne) -	·	. San	493.1	-46	490.0		10,931	82
Close	8416-25	8680-70	Total					143,201	17,588
Provious High/low	8300-10	8440-50	-						
AM Official	8370 8385-70	8650/8520 8520-25							
Kento close		8570-80							
Open int.	55,659		FNF	RGY					
Total delty temover	8,362			UDE OIL	NYME	x 420 0	10 LIS (unile S/	homeli
TEM (\$ per tonne)			. ===			. (0000	
Close Previous	5395-405 5300-10	5490-5 5390-400		Lainei arice	Openios Traff. 2	Sich	Low	iet	Yal
High/low	5300-10	5535/5460		18.70	+0.11	18.82	18.55	36,684	
AM Official	5390-95	5485-90	Apr.	18.58	+0.12	18.66		84,844	
Kerb close		5510-20	Jiny Jan	18.39	+0.10	18,48			12,124
Open int. Total daily tumover	20,586 4,067		.E	18.24 18.12	+0.07 +0.04	18.31 18.19		35,690 17,731	4,144 1,809
E ZINC, special hig		toppe)	Ang .	18.01	+6.01	18.08		12,864	932
Close	1035-6	1058-9	Total				;	377,7 8 3	84,265
Previous	1009-11	1033-35	E CR	UDE OIL	IPE (S/	oerre)			
High/low		1069/1038		Latest	Day's			Open	
AM Official	1017.5-18	1042-3		price	عيضت	65igh	LOw	let	Vol
Kerb close Open int.	101,600	1067-8	Apr	17.02	+0.10	17.07		74,253	
Total daily turnover	14,902		Hay Jan	16.83 16.77	+0.08	16.90 16.81		21,584 14,166	4,986 1,862
E COPPER, grade /				16.68	+0.03	18.69		11.151	1,062 2,681
Close	2887-9	2821-3	A.	16.65	+0.10	16.65	16.5B	4,713	357
Previous.	2886.5-7.5	2878-9	Sap	-	-	•	-	2,248	_ 133
High/low	2683/2882	2890/2865	Tetal					144,427	-
AM Official	2881-2	2875-8	E HE	TING O		X (42,00	هو کا O	et; caus	galla_)
Kento close Open Int.	232 888	2675-6		Latest	Day's			Врас	
Total daily turnover	27,482			price	-	فوالا	LOW	int	Yel
E LINE AM Official		2		47,05	+0.13	47,45		29,091	14,821
LIME Closing LAS				47.25 47.45	+0.18 +0.18	47.55 47.75		22,086 14,535	9,161 4,368
Spot:1.5763 3 mile:1.574	65 Amther 1 5722	9 sather 1 5892		47.70	+0.28	47.85	47.50	9,574	1,318

4,179 1 3,384 33,2 Open
4,179 1: 3,381 33,2 Open
3,381 33,2 Open
3,381 33,2 Open
4,146 6,3
8,322 3,0
9,086 \$
9,567 9
3,051 7
1,884 1
8,235 11,3
ı.: S/cumBicı.
Opee int Vol
9,853 15,97
3,078 5,51
2,810 2,51
2,014 1,00
2,250 B
0,817 4
7,244, 28,67

	price	دوشت	Her	Low		Yel	
سلتا	1.425	+0.026	1.425	1,393	19,853	15,970	
Apr	1.408	+0.016	1. # 10	1.305	23,078	5,500	
Hey	1.453	+0.003	1,480	1.435	12,810	2,607	
300	1.525	+0.003	1.525	1.510	12,014	1,030	
ᄺ		+0.005					
Ang .	1.610	+0.015	1.825	1.535	10,817	458	
Tetal					-	-	
10.4				1	157,244	CAPIC.	
W UNK		GA90L الأووالا			137,294	<i></i>	
MAN.	X (42,00		; eUS p	alis.)		- April	
MAN.	X (42,00) Labort	i US gaile.	: e46 p	86s.)	Open int	Mai Carbus	
W UNK	X (42,00) Labort	DS gala Day's change +0,48	: c4U5 g High 59.15	164.) Law 57,72	Open int 19,887	¥mi 13,464	
WAY.	EX (42,00) Labort price	DS gala Day's change +0,48	19gh 59.15 60.20	164.) Low 57,72 59,20	Open int	Vol. 13,464 9,808	

		AINS Eatlo				<u></u> D:	S		FIS							AT AN					
	_ ***	Seatt	r (E ha	wiley	-	Dese		- =	COA LCE	Pents (EU KUTE	TOJ	-	Comm			E CATTL Saft	Dan's	*0,000	AUS. US	Chart.	<u>-</u>
		price	cprode 	High	Low	H	Yel			cpasio ren e	High	Low	int.	Yel			cpecite 	High	Low	H	,
	iller Hay	108.20 108.65		108.75 110.00				Her Hey	1033 1021	-5 -5	1033 1025	1024 1017			Feb Apr	74 900 73.850	-0.050 7 -0.075 7			3,656 43,819	_
	, M	110.70	-	-	•	343	-	74	1029	4	1032	1025	11,504	650		67.125	+0.100 8	7.200	66.925	16,865	
	Sep How	98.45 99.45	+0.05	92.60 92.60	98.80 99.50			Sup Dec	1039 1042	-3 -3	1848 1843	1834 1835	12,108 14,220		Amg Opt		-0 025 6 -0.075 6			8,455 1,259	
	Jan. Total	101.50	+0.35	-	-	361 5,917	173	Mar Total	T052	-2	1053	1045	13,773 11 3.383	229	Dec Total	66.175		8.350		981 78.582	
		EAT CB	T (5,000	inin udi	c cents				COA CSC	E (10 s	ornes;			1,000		E HOOS	CME (40	,0000	s; cant		•
		366/6		368/0		25,411	6,543	Her	1390	-14	1392	1376	973		řeh		-0.775 3			1,294	_
	بجلا آخ	3504 340/2	+26	361/2 340/5	358/4 338/0	17,113 22,035		iitay Jai	1410 1429	-3 -6	1419 1434	1402 1422	39,846 12,463	5,942 7 3 0	Apr Jan	38-200 44,325	-0.075 2 -0.235 4			13,953 7,206	
	Sap Dec	3442	+2/0 +1/4	345/4 255/4	343/0 353/2		146 185	Sep Dac	1444 1480	-8 +5	1445	1440 1452	4,910 5,253		Amp Oct	43.02\$ 60.050	-0.300 4 -0.375 4	3.900 n 725		1,895	
- 1	Har	358/4	+2/4	:		22	4	Mar	1475		•		6,560	41	Dec	41 (175	0.300 4			2,354	
	Tobi Maria	ZE CBT	65,000	bu mit	centra	-	12,738 ushqi)	Tetal	COA (ICC	O) (SDI	Ya/tore	10)	04,042	B,118	Tetal En PC	RK BELL	ES CM	E (40,0	OOlbs, e	30,147 conta	((40
	liber	232-6	-0/4	233/2	232/2			Feb 16			Price		Prov.		Feb		+0.025 4			530	
	iley id	240/6 247/2	-0/2	241/2 247/2		77,017	9,526 3,797	Dealty			1935.53	•	103	3.72	iller Hiley	42.225	-0.050 4 -0.100 4	2.300	41.900	3,290 2,436	
	Sep Dec	252/4 257/2	-04	253A 2582	252/0 256/6	12,852 63,662	365 5,383	= 00	FFEE LCE						柳		+0.100 4 +0.025 4			1.527	
1	Mer Total	253/4	-04	264/0	263/2		261	Har May	2921 2858	-19 -29	2930 2670	2910 2847	6,118 12,300		Feb Total		-0.150 5			64 8.275	
		RLEY LC	E (2 pa	r tonne		J., 1,1,2,0	-4	, Jad Sag	2798 2768	-21 -30	2810 2783	2790 2768	4,438 3,857	848 567						-	•
-	Mer Uma	103.00		103.00	103.00	279	5	May	2753	-12	2767	यस	1,155	7	LO	NDON	TRA	ΦEI	0 0	PTI(ΛC
	Hby Sap Jan	104,45 98.85	+0.05			99 102		.ion Yotal	2740	-15	·	-		5,025		price \$	tonne	— a	<u></u>	p	4
	ilov Jac	95.00 100.60	+0.20		98.00 100.50	309 41	22 34		FFEE 'C'							ununitum 6) lime		Apr	Jul	Apr	
	Ner Total	101.95	+0.30	102.00	102.00	WA.	21 NVA	Her Hey	169.35 169.60	+6.30	189.90 170.00	153.60		6,448	1800 . 1900	ا =		145 87	205 151	30	į
į	\$0	(ABEAN	8 CBT 5	,000ba i	nik; can	14/60th &	ushel)	. Sap	170.60 169.95	+8.40	171.00 168.70		6,321 4,227	1,127 638	2000			47	103	140	i
	املا بطار	565A) 585A	-1/4 -1/0	557/4 688/0	5540 5844		12,204 6,248	Dec	169.50	+5.00	169.50 167.50	165.00	3,661	192	III. CO (Grade	PPER A) LME		Apr	Jul	Apr	
	H	574/2	-	5756	572/6	32,493	2,662	Total					34,606					138	18G 132	40	
1	leş Sep	577/2 579/0	+02 -02	578/4 580/4	5766 5784		131 351) (US c			_		2900 .			90	87	81	•
	ilov Total	586/2	-	587/4		18,571 136,708	1,321 22,980					1		3.3°		FFEE LCI		Mar 261	May 296	M2	
	80 1	/ABEAN	Off CE	ST (60,0	00tbs:	¢ents/f	b)		enerago 7 PREMEU					7.41 //be\	2750 .			231 204	271 247	123	3
	ابت رحوا	27.44 26.40	-0.34 -0.40	27.7% 26.85	27.40 25.35	27,932 32,303	7,621 4,974	Mar	14.88	+0.20	14,88	14.88	925	5	M CO	COA LCE		Mar	Man	Mar	R
J		25.88 25.58	-0.41 -0.40	26.27 25.90		18,714 5,737	2,759 211	Hey Je	14.92 14.28	+0.26 +0.48	:	:	860 2,300	:	1025 . 1050 .	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		43 33	66 55	47 62	1
2		25.39	-0.36	25.66	25.38	4,895	136	Oct	13.23	+0.03	-		•	-	1075			25	40	79	
)ct Total	25.15	-0.31	25.40		6,604 106,306	69 16,232	Jian Tipini	13.20	+0.03	•	•	8,085	5		ENT CRU		70 70	فد 33	Apr 10	:
	S01	ABEAN	MEAL.	CBT (1	00 tons	; S/ton			ITE SUGJ						1700			36 16	34 18	27 57	(
_	iler Ligy	153.8 157.9	+0.7 +0.7	153.9 158.0		27,531 26,884	5,724 2,886	Mary Acc	402.4 383.3	+4.B +3.0	403.0 384.3	397.8 380.5	9,129 6,525	1,105 630					_		
4	M	182.2	+0.5	162.5	161,6	19,780	1,688	Oct Dec	351.3 345.7	+1.3	352.0	350.3	2,284 217	178		IDON				KET	_
5	jag Jag	164.2 166.1	+0.5 +0.4	164.4 166.3	163.7 165.7	6,855 4,181	49 405	Mer	342.7	+24	-	-	598	÷		UDE OIL	-OB (per				-0
-	ici Istal	168.6	+0.4	168.3	157.5	8,144 101, 580	106 11,116	Hay Total	341.6	+23	•	•	216 18,968	1,916	Dubai Brent	Blend (dat	(Deci		.72-6 7: 41-7.4		0
į	POT	ATOES	LCE (E/	(enno)				E SU	2AR "11" (SCE (12,000	ibs, ce	rits/lbs)			Bland (Ap (1pm ost)	7		10-7.1 74-8.7		0.
-	fer Ur	351.5 278.3	-ne	- 296.0	- 778 E	- 755	109	الله: الكرا	14,80 14,70	+0.22 +0.26	14.81 14.71		29,685 52,275			PRODUC	TS NWE				
	رط	307.5	+35	3100	3100	54	10	Jel Oct	13.73	+0.15	13.78 13.06	13.60	33,925 34,017	2,179 958		m Gasolii	10		71-173		_
	ica icy	250.0 105.0	:	-	:	:	:	Har	12.57	+0.10	1259	12.52	10,003	286	Gas O Heavy	i Fuel Oil			47-148 05-107		-2
	(sta) 8 506		CEEM :	Œ ≈	M	B19	119	Mary Total	1247	+0.10	12.42	12.41	2,468 (55,220 1	60 19,748	Naphti Jet fut	10		51	68-170 64-165	•	40
-	# 1+40 <u>-</u>	2028	+48	JUZE (57) 2015	2010	224	10		TON NY	Œ (50,6)00lbs;		-		Diesol			\$1	51-153	1	+1
		2025	+50	2025	2000	267	31	Mer May	96.48 95.56	+0.53 +0.33	96.79 95.70		7,440 25,246		Petroleu TOTI	m Argus. 1 MERI	el Londo	(נייט) ח	359 ST	92	
1	P) De	2029 1765	+39 +14	2030 1765	1995 1755	1,484 889	97 20	Jai	98.15	+0.72	93.48	92.13	15,489	3,347		per troy o	-12	E-	378.40		1.
	kt bo	1775 1754	+25 +11	1775	1765	743 108	3	Oct Doc	61.93 75.96	+0.25 +0.34	82.08 76.10	75.70	5,224 18,879		Silver	per troy o	174	4	77.5c		-2
ī	eteľ		Prov			3,815	161	Mar Total	76.90	+0.40	76.90	76.65	2,184 74,853	172 22.478		m (pertro um (pert			415.25 157.25		2.
8	F		1963						ANGE JUI	CE NY	CE (15,0		-	-		(US pro	d.)		40.0c		+1.
									104.00				9,957		Tan (fic.	US prod.) rata (wind)	uri	1	1.75c 3.59m		
								رطلا آباد	107.95 112.00		108.45 112.30		7,436 2,106	1,103 210		w York) (Eve weigt			56.50c 22.59o		-4. 0.5
								Şep Hov	115,25 114,00	+0.25 +0.05	115.25	115.25	2,762 2,040	55 22	Sheep	(live welg	in) è	1	21.68p	٠,	3.5
г						-		Jan .			115.25	115.00	1,070	44		ve welght ay sugar	-		12.50p 1356.4	•	3.5 +3.
Ţ	Spice					•	[Total					25,540	4144	Lon. d	ay sugar	(wte)	Š	403.0 340.0		-3
1	week	es only	apasn	nodic b	uying	Interest	W88	,	UNIE DAT	•		·				Lyle exp (Eng. tee		-	240.0		
	produ	n, meini Ictor. P	rices fo	or both	black	and	white	Oper	n Interest	and '					Meize	(US No3 (US Dark	Yellow)	•	2141.0 2165.0		
-	pepp	er tende There	d eegle	r towa	ncis the	end c	f the	NYC	nects tradi E, CME, (SCE e					Rubbe	r (Mar)♥	·	1	113.0p		+1.
Į	SUFB,	but rea	ellers (asne i	ndo dha	e mark	et to	day	in arrears.	1						r (Apr)♥ r (KL RSS	Not)		113.0p 140.5m		+1 8
ı	the d	heaper g	redes r	emaine	d unch	renged.	Vist-								Cocor	ut Of (Pt	ans ·	5	845.0y		
1	Eport	a mon	th, whic	ch mee	ns the	t bbs po	opper	IND	ICES						Сорга	Of (Maley (Phil)§	13	5	672.5¢ 416.0y		+7 -9
	eyste.	ot becor	hdrawn	as loca	al price	M Were	high		TERS (Ba							eans (US) Cutlook	A' nadex		168.0q 01.05c		
	from i	mperison indonesi	a was c	affected.	at abo	ut USS	3,600	Feb 228	8.1 2	eb 16 258.5	22	th ag o 96.2		ag o 2.7	Woolto	ps (64a S	luper)		512p		
-	a ton	ne, cil., s 375-\$2,	ma blea 400, cif.	x bebb	MC, THE	, eny c	ngin,		Futures						r ringelt	nne unleas fag. m Mak	учал св	ta ka a	Apr. t	Mar. y	Mar
- 1							- 1	Feb	10 6	eb 15	HICH	SI 6570	year	-	m Februa	or ♥ Lond		4 5 0	E Barne		

Feb 17 Feb 16 Yr

SOFTS

1029 -4 1032 1025 11,504 650	3m 67.125 +0.100 €7.200 66.925 16.868	1,468
1038 -3 1840 1034 12,108 387 1042 -3 1043 1035 14,220 1,321	Ang 84.275 -0.025 64.375 64.175 8.455 Oct 85.175 -0.075 65.300 65.150 1.259	304 42
TOS2 -2 1053 1045 13,773 229	Dec 66.175 - 68.350 68.150 981	14
112,383 7,686		1,053
OCOA CSCE (10 tonnes; \$/tonnes)	IR LIVE HOOS CME (40,000tbs; cants/fbs)	
1380 -14 1392 1376 973 420 1410 -3 1419 1402 39,846 5,942	ñob 39,800 +0,775 39,825 39,350 1,294 Apr 38,200 +0,075 38,300 37,900 13,953	40) 2344
1429 -6 1434 1422 12,463 730	Jan 44,325 +0,235 44,375 43,900 7,206	1.063
1444 -8 1445 1440 4,910 350 1480 +5 1480 1452 5,253 408	Ang 43.026 -0.270 43.900 43.025 1,896 Oct 40.050 -0.275 40.375 40.000 2,507	113
1475 6,560 41	Dec 41 075 -0.300 41,400 41,000 2,354	176
80,642 B,118	Tetal 30,147	4,304
OCOA (ICCO) (SDR's/tonne)	IN PORK BELLIES CHE (40,000lbs; cents/lbs	_
Price Prev. day 1935.53 1833.72	Feb 42.275 +0.025 42.300 41.800 530 Mar 41,675 -0.050 41,800 41,300 3,230	269 1.125
	May 42,225 -0.100 42,300 41,900 2,436	772
OFFEE LCE (\$/tonne)	Jul 42.575 +0.100 42.575 42.150 1.527 Aug 39.925 +0.025 40.250 39.900 419	163 :3
2921 -19 2930 2910 6,118 978 2858 -28 2870 2847 12,300 2,825	Feb 51.100 +0.150 51.100 50.000 64	7
2798 -21 2810 2790 4,438 848	Total 8,275	2,356
2768 -20 2783 2769 3,857 567 2753 -12 2767 2767 1,155 7	LONDON TRADED OPTIO	NIC
2740 -15 - 162 -	Strike price S tonne Caris Put	
25,033 5,025 OFFEE 'C' CSCE (37,5006bs; cents/bs)	M ALLAMINUM	
	(99.7%) LME Apr Jul Apr	Jul.
169.35 +6.50 189.90 163.15 4,381 4,286 189.50 +6.30 170.00 153.60 15.542 6,448	1800 145 205 30 1900 87 151 90	80
170.60 +6.40 171.00 164.50 6,321 1,127	1900	123 178
169.95 +5.85 169.70 165.70 4,227 638 169.50 +6.00 169.50 165.00 3,661 192	IL COPPER	
168.75 +6.00 167.50 167.50 394 11	(Grade A) LME Apr Jul Apr 2700	ليول 71
34,606 12,792 XFFEE (ICO) (US cense/pound)	2800	113
Price Pres. day	2900 50 87 81	168
dely	2700	M35 198
######################################	2750 231 271 123	223
7 PREMIUM RAW SUGAR LCE (cents/lbs)	2800	249 May
14.88 +0.20 14.88 14.88 925 5 14.92 +0.26 - 860 -	1025 43 66 47	E.
14.28 +0.48 2,300 -	1050 33 56 62	76
13.23 +0.03 - · · · · · · · · · · · · · · · · · ·	1075 25 46 79 IN BRENT CRUDE IPE Apr 3.6 Apr	92 Jul
6,085 5	1650 70 83 10	34
RITE SUGAR LCE (\$/tonne)	1700 36 34 27	6! 95
402.4 +4.8 403.0 387.8 9,129 1,108	1750	20
383.3 +3.0 384.3 380.5 6,525 630 351.3 +1.3 352.0 350.3 2,284 178	LONDON SPOT MARKETS	3
345.7 +1.9 217 -	■ CRUDE Oil FOB (per barrol/Apr)	or-
342.7 +2.4 598 - 341.6 +2.3 210 -	Duboi \$16.72-6.752 +0	27
18,968 1,916	Brent Bland (dated) \$17.41-7.43 +0	27
GAR "11" CSCE (112,000lbs; cents/bs)		39
14.80 +0.22 14.81 14.63 29.685 7,994	■ OIL PRODUCTS NWE prompt delivery CIF (to	
14.70 +0.26 14.71 14.46 52,275 8,194 13.73 +0.15 13.78 13.60 33.925 2,179	Promium Gasolina \$171-173	<u> </u>
13.65 +0.12 13.06 12.94 34.017 958 12.57 +0.10 12.59 12.52 10.003 286	Gas Od \$147-148 •	2
12.57 +0.10 12.59 12.52 10,003 286 12.47 +0.10 12.42 12.41 2.468 60		2
165,220 19,748) 5 ·1
TTON NYCE (50,000lbs; cents/lbs)		15
96.48 +0.53 98.79 95.10 7,440 4,200	Petroleum Argus. Yel. Landon (071) 359 8792 B. OTHER	
95.56 +0.33 95.70 94.60 25.246 9.968 98.15 +0.72 93.48 92.13 15,489 3,347		
81.93 +0.28 82.09 81.50 5,224 1,224		.3C 2 C
75.96 +0.34 76.10 75.70 18.879 3,551 76.90 +0.40 78.90 76.65 2,184 172	Platinum (per troy oz.) \$415.25 +2	.15
74,863.22,478		50
ANGE JUICE NYCE (15,000lbs; cents/lbs)	Copper (US prod.) 140.0c +1 Lead (US prod.) 41.75c	1.0
104.00 +0.60 104.40 103.30 9,957 1,308	Tin (Kuala Lumpur) 13.59m	_
107.95 +0.30 108.45 107.40 7,436 1,103 112.00 +0.50 112.30 111.45 2,106 210		1.0 574
115.25 +0.25 115.25 115.25 2,762 55		.57° .58°
114.00 +0.05 2,040 22 115.45 +0.25 115.25 115.00 1,070 44	Pigs (tive weight) 62.50p -3.	59-
25,540 2,742		3.9 3.0
	Tate & Lyle export \$340.0	3.0
UNIE DATA	Bartey (Eng. feed) £110.0	
n Interest and Volume data shown for	Meize (US No3 Yellow) £141.0 Wheat (US Dork North) £165.0	
tracts traded on COMEX, NYMEX, CST, E, CME, CSCE and IPE Crude Oil are one		1.0
in arreers.	Rubber (Apr)♥ 113.0p →	1.0
	Rubber (KI, RSS No1) 440.5m -8 Coconut Oil (Philis \$645.0y	1.50
ICES	Palm Of (Malay.)§ 5672.5t +	7.5
ICES	Copra (Phil)§ \$416.0y -	9.0
UTERS (Base: 18/9/31=100) 17 Feb 16 month ago year ago	Cotton Cutlook'A' andex 101.05c	
13.1 2258.5 2296.2 1792.7	Wooltops (64a Super) 512p	
B Futures (Base: 1967=100)	E per tonne unless otherwise stated, p pence/kg, c cu r ringplk/kg, m Meleyeian cents/kg, z Acr. t Mer. y Me	nes/20. er//kor
16 Feb 15 month ago year ago 122 234,38 237,24 226,88	r ringgli/ig. m Maleysian cents/ig. 2 Apr. t Mer. y No q Feb/Apr ♥ London Physicel. § CIF Rotterdom. § 1 market closs. ♦ Shoep (Live weight prices). " Chan	Button
	market closs. 4 Sheep (Live weight prices). " Chan	
	market closs. Sheep (Live weight prices). " Char- week © Prices are for previous day	go (4.
	market close. 4 Sheep (Live weight prices). " Chan week © Prices are for previous day	
us	market close. A Sheep (Live weight prices). * Chan week © Prices are for previous day	

III US TREASURY BOND FUTURES (CBT) \$100,000 32nds of 100%

■ NOTIONAL LONG TERM JAPANESE GOYT, BOND FUTURES (LIFFE) Y100m 100ths of 100%

Change

High

102-24 102-07 101-22

Feb 17 Feb 16 Yr ago High

Feb 16 Feb 15 Feb 14

Low

Est, vol. Open unt.

Est vol Open int.

521,658 17,527 1,682

Feb 13

Lettest

102-14 101-30 101-18

Close

Low

QILT EDGED ACTIVITY INDICES

Ореп

1,24 3.01 (11/11) 1.19 (16/2") 2.90 3.79 (21/8") 2.79 (20/1")

MEAT AND LIVESTOCK

74 900 -0.050 75.075 74 800 3.858 2.014 73.850 -0.075 73.925 73.625 43,819 5.750 67.125 40.100 67.200 66.925 18,868 1.468

BENCHMARK	GOVE	PHILE	ENT BO	ND\$		•	
	Coupon	Ped Date	Price	Day's change	Yleid	Week ago	Month ago
Australia	9.000	09/04	92_7600	-0.360	10.20	10.16	10.48
Austria	7.500	01/05	99.0860	+0.040	7.64	7.84	7.84
Belgium	7.750	10/04	96.3700	+0.020	8.30	8,25	8.50
Canada *	9.000	12/04	100.1000	-0.150	8.98 .		9.32
Denmark	7.000	12/04	88.1000	+0.100	8.88	8.87	9.15
France BTAN	8.000	06/98	101.0900	+0.020	7.59	7.60	7.27
CAT	7,500	04/05	96.6700		7.98	7.97	6,33
Germany Bund	7.375	01/05	99,7500	+0.020	7.41	7. 4 1	7.62
Ireland	8.250	10/04	89.3000	-0.160	6.79†	8.79	8.78
italy	9,500	01/05	85.8700	+0.130	11.98	11.84	11.59
Japan No 119	4.800	08/99	103.6840	_	3.83	3.93	3.97
No 184	4.100	12/03	96.9690	-0.030	4.58	4.66	4.70
Netherlands	7.250	10/04	98,0400	-0.010	7.53	7.55	7.76
Portugel	8,875	01/04	84.1000	+0.100	11.65	11.65	11.84
Soein	10.000	02/05	90.8200	+0.030	11.58	11.51	12.06
Sweden	6.000	02/05	71,8440	-0.280	10.78	10.66	11.21
UK Gits	6.000	08/99	90-25	-1/32	8.54	8.52	8.67
O11 C-0	8.500	12/05	89-00	-4/32	8.64	8.80	8.73
	9.000	10/08	103-02	-4/32	8.61	8.58	8.69
US Treesury "	7,500	02/05	100-16	-2/32	7.43	7.62	7.82
·····	7.625	02/25	100-13	-2/32	7.59	7.78	7.85
ECU (French Govi)	6.000	04/04	84.8800	+0.160	B.41	8.40	8.76
	ek mid-day					.com) (Hest)	est stand
+ Green Anchedisc within	ک جمل ویشان	12.5 per	cast payable	by norresi			
† Groes pactually was Prices: US, UK in 32nds,	atheau in chi			-	. Sou	COL MARCH	burne

vice members on changing its rules to allow industrial action. TOMORROW: Hesse regional elections. Kyrgyzstan's first general election.

MONDAY: Building societies and counterparts (January). Major British banking groups' monthly statement (end-January). EU finance ministers meet in Brussels. South Pacific Forum finance ministers get together in Fiji. Annual meeting of Ibero-American and Philippine central bank presidents in Uruguay. IG Metall holds strike ballot in dispute over pay. EU agriculture ministers meet in Brussels. Financial Times holds "The London Motor Conference". President's Day in US. Interim statement from BAT.

TODAY: The Royal College of Nurses considers whether to ballot its National Health Ser-

Westminster Bank and Guardian Royal Exchange.
WEDNESDAY: UK output, income, and expenditure (fourth quarter). Mr Alan Greenspan, Federal Reserve chairman, gives Humphrey-Harling institutory to US Sen-Hawkins testimony to US Sen-ate Banking Committee. Intermonthly figures (January).

Provisional estimates of M4

Provisional estimates of M4 publishes World Employment 1995 Report Hong Kong government land auction. THURSDAY: Engineering sales and orders at current and constant prices (December). Capital expenditure (fourth quarter-provisional). Stocks and work in progress (fourth quar-ter-provisional). New vehicle registrations (January). Energy trends (December). San José European Union/Central Amer-ica ministerial meeting in Pan-

ama (until February 24). ICI, British Gas and Royal Dutch/ Shell announce results. FRIDAY: Group of Seven meet-TUESDAY: Government deficit and debt under the Maastricht Treaty. The economic and social committee of the European Union meets in Brussels (until February 23). Bank of Japan releases monthly economic report. Preliminary ary).

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New Sove	ereign	87 -9 0	55-	58					_							
	TERRE	RATE	8					■ LONG	GELT FUTU	RES OPTI	ONS (LIF	FE) 250,00	0 64ths o	f 100%		
Lunchtime		4441		Transav R	Elis and Bor	nd Yightin		Strike		c/	WLS			_ P	שוט —	
		Qoe	eon <u>i</u>	` 5	70 Ten w		7.06	Price	Mer	Apr	May	Jun	Mer	Apr	May	Jun
Prime cate Broker icen i			etaam o 	5	.00 Thanks .87 Flora ye	yter	721 7.36	101 102	0-45 0-08	1-23 0-51	1-45 1-11	2-02 1-32	0-07 0-35	0-43 1-07	1-01 1-31	1-22 1-52
_ ما مط اعة	igierventice		motiči		29 10-yea 22 20-yea	<u> </u>	7.36 7.45 7.80	103	0-01	0-27	0-49	1-04	1-27	1-47	2-05	2-24
Lecritorina er	ــــــــــــــــــــــــــــــــــــــ	- 01	7	•	ar aryon	•	2.00	Est. vol. tot	d, Calls 3734	Puta 5211.	. Previous	day's open	nc., Calle 4	45757 Pu	61082	
BOND	FUTUE	ees an	D OPTI	ONS												
France	8							Ecu								
E NOTIC	MAL FREN	CH BOND I	FUTURIES (E SCU B	OND FUTU	_						
	Open	Sett price	-	High	LOW	Est vol		Man	Open	Sett price	e Chang +0.16			-	Est. vol. 2.488	Open int.
Mar .	111.98 111.08	112.08 111.22	+0.16 +0.18	112.18 111.26	111.76 110.92	115,085 3,142	152,277 14,001	Mar Jun	82.04	82.10 81.90	+0.15	82.1 3 -	- 41.		- 400	7,281 1,658
Sep	110.38	110.52	+0.18	110.42	110.84	470	3,508									
								FT-AC	TUARIE	s fixi		TERES	r indi	CES		
	TERM FRE	NCH BONE		(MATIF)					rice indices	Fri		Day's ange %	Thu Feb 16	Ac		xd adl yield
Strike Price	 Ma		11.8	 Seo	Mer	· PUTS —	Sep	1 Up to 5	veers 23	118.9	X6	+0.03	119,31		1.72	1.78
111	1,1				0.05	1.23	-	2 5-15 ye 3 Over 15	ara 22	139.2 155.1	21	-0.09 -0.11	139.48 155.34		1,79 1,38	2.06 2.98
112	0.2	4 0.	91	-	0.25	1.75	-	4 Irredeed	nedias 6	178	Š	-0.28	179.04		3.24	0.00
113 114	0.0		5 6 28 0	- 151	1.92	2.34	:	5 All stock	s 50	136.2		-0.06 son yield	138.51		1.73	211 1
115	-	0.	13	-	-	-	•	Yleida	Feb 1	7 Feb 15	Yr ago	High	1	.OW	Feb 1	7 Feb 16
Est. vol. to	gd, Calle 22;	195 Puls 194	629 . Previou	a day's ope	n int., Calle :	204,484 Pub	214,830.	5 yrs	8.56		5.92	8.95 (20/	97) 5.57	רויפון	8.62	8.60
								15 yrs 20 yrs irred.†	8.52 8.48	8.46	6.77 6.88	8.89 (20/ 8.81 (20/ 8.88 (20/	97) B.30 97) B.41	20/17	8.83 8.63	
									8.53		8.95		6.52	2417	-	
								index-linia		3.68	<u> infletto</u> 2.17	4 17 60	H) 242	(4/17	2.50	2.26
Germa		MAN BUND			1950 000 1	OOthe of 10	0%	Up to 5 yr over 5 yra	3.88	3.66	3.09	4.17 (10) 3.99 (21/	5) 288	20/17	3.68	3.68
_ 10110	Open	Sett price		Haga Haga	Low	Est. vol	Open int.	Average g	ose redeme	otion yield	s are aho	wn above.	Coupon	Bands:	Low: 09	6-74%; M
Mer	90.69	90.68	+0.03	90.74	90.48	99427	211165	1988 Value	e: UK Gilts	Indices 3	1/12/75	100.00 2			JUH4/62 #	- 100.00.
Jun	90.14	90.19	+0.07	90.20	90.00	5203	19258									
	•							FT FIX	ed int							
	FITTERER	OPTIONS (I	LIPPE DAZ	50.000 ork	th of 1009	6		A				15 Feb 1	_			
Strike			113			PUTS		Govt. Soci Fixed inte			.10 91. LB2 109.	07 90.60 61 109.92		103.90 128.2		
Price	Mar	Apr		han M	er Ap	г Мау	Jun	* for 1994/5.	Government :	Securities H	gin pin ce co	mpleton 1	27,40 (9/1/			
9050	0.28	-		.83 (1.1			1.14	25 and Rose	s interest 192	55. JE MCDA	sy indicae	repased 197	٠.			
9100	0.07			83 0.8 45 0.8			1.44 1.76	11K C	LTS PE	NOTE						
9150 Bit vol 10	0.02 (al, Calls 199	. 0.16 01 Puin 1197				787 Puta 170		UK G		HUES						
										, Yield .	- :	_ 15	9495		-	1
									Hotes	int Re	d Palce E	•α- Hg				lotes tet
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FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Weekend February 18/February 19 1995

Yet another last fling

a growing conviction in the markets that 1995 would be the year in which US equities tumbled and the dollar finally revived. This week the Dow Jones industrial average confounded this view by coming within an ace of the hitherto unbreached 4,000 mark, while the dollar sank back to its lowest level since last November

In the midst of Mexico's financial crisis, the US currency has conspicuously failed to exhibit its traditional qualities as a safe baven; and the investment clock has, in effect, been turned back to the unresolved questions of 1994 Why have US equities proved immune to the collapse of the bond market and the rise in short-term interest rates? And why, on most measures of pur-chasing power, does the dollar

stay so consistently undervalued? There is nothing new in the phenomenon of puzzling and persistent over- or undervaluation. Between 1981 and 1984 the dollar rose inexorably, in defiance of orthodox opinion. The production of theories to explain the dollar's failure to collapse became a thriving industry. Few recognised the point at which the dollar peaked in 1985, although the Group of Seven finance ministers later claimed to have turned the tide with the Plaza Accord. Yet the dollar had turned six months before. Similarly in the second half of the 1980s the Tokyo stock market rose inexorably, in defiance of all normal yardsticks. The broking fraternity's response was to adjust its methods of assessing the valua-tion of equities. No matter how much higher the Nikkei index rose, mainstream opinion seized

Those who regarded Japanese equities as absurdly expensive watched in awe as they became yet more absurdly so. Since the Tokyo market started its free fall at the end of 1989, it has been the turn of the yen to defy the forecasters with its persistent overvaluation through the recession.

on one technical explanation after

another to justify the new level

High levels

If Wall Street looks overvalued today, it is not on the scale of the Tokyo bubble of the 1980s. But whether on the basis of price-earnings multiples, dividend yields or net worth. US equities are at historically high levels. Bulls of Wall Street nonetheless argue that corporate profits are on a long-run rising trend. With inflation low, they find the present level of dividends and price-earnings multi-

Yet a comparison with the highgrowth, low-inflation 1960s shows that dividends then were much higher. There were also sharp cor- markets. Neither overvaluation rections, despite the long run nor undervaluation lasts for ever.

upward trend in earnings. An investor who bought US conities at their peak in 1968 had to wait 10 years to see real value return.

In all these cases of persistent overvaluation, short-term liquidity and long-term portfolio adjustments invariably play a vital part. The rise in the dollar in 1981 coincided with the abrupt end of US bank lending to Third World countries and a period when dollar assets looked remarkably cheap to foreign portfolio capital. The Japanese bubble reflected excessively lax monetary policy. The present buoyancy on Wall Street owes much to the earlier looseness of US Federal Reserve policy when the Fed was trying to prop up the banking system. It also reflects a big and related inflow of money

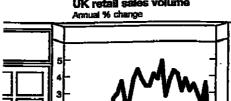
Crucial factor

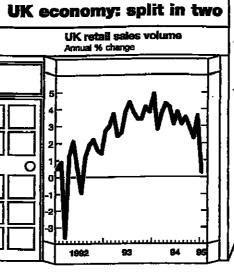
But psychology is also a crucial factor. When private investors buy equities, the risk they run is the loss of their wealth. When professional fund managers buy equities, their biggest risk is under-performance relative to their peer group. It follows that private investors are most at risk when they are fully invested, while fund managers are most vulnerable when they are not. That is why the broking fraternity constantly serves up new explanations to justify the high level of an overvalued market. It reassures profes sional investors.

The significance of this different approach to risk for today's mar ket lies in the changing composition of the US citizen's portfolio In 1968, individual Americans held more than 50 per cent of their assets in equities, while their holdings in the budding mutual fund industry were insignificant.
Today US individuals' direct equity holdings are down to 34 per cent, while mutual fund holdings have risen to more than 17 per

In fact, if direct private holdings and mutual fund holdings are put together the individual exposure to equities and bonds is much the same today as in the early 1970s. But it may be that the change in composition means that the money is less disposed to quit the market in the absence of a big shock, because more of it is professionally managed. If Wall Street was cheerful this

week, it was because the economic data carried a hint that the economy was slowing, so implying that the Fed might impose a smaller interest rate shock to curb inflation. Yet the evidence to date holds the key to the timing and extent of any correction, whether on Wall Street or in the currency





fter a year in which the

UK economy outper-

formed even the most

ontimistic expectations.

it seems to be reverting

to type. Growth is weakening, infla-tion is edging higher and the pound has been feeling fragile.

These symptoms are depressingly

familiar, but the diagnosis is not. In familiar, but the magnetic poor the past, Britain's relatively poor

blamed on its consumers' unhealthy predilection for spending, combined

with an inability to compete effec-

tively in overseas markets. But

now, more by accident than design, the UK boasts a textbook, export-led

recovery in which high street

A series of official statistics dem-onstrated last week that even this

rirtuous conjunction is not without

its drawbacks. The UK now has two

economies, one reliant on exports

and the other on domestic spending.

ing as it struggles to cope with

increasing demand from overseas.

The second is flirting with a return

to recession, as home consumers

The dilemma for the Treasury

and the Bank of England is that the

cure for the former may kill the

latter. As Mr Geoffrey Dicks, econo-

mist at NatWest Markets, National

Westminster Bank's investment

arm, notes: "Consumers seem to be

punished in direct proportion to the

success of exporters."
The car industry epitomises this

tale of two economies. Almost

120,000 passenger cars were built in

the UK last month, 20 per cent more than in January 1994. Over that

period, production for export almost

doubled, while production for the

home market fell by almost a fifth.

a similar pattern. Home sales

totalled £51.6m in December, down

from £54.4m a year earlier. Export sales, meanwhile, more than dou-

of one another in north-east England. But their differing experi-

ences illustrate the degree to which

The travails of the UK market

lace are of little consequence for

Gateshead-based Crabtree Group,

which claims to be the world's larg-

est manufacturer of metal decorat-

exported to 35 countries, predomi-

nantly in the Far East and South

America, Crabtree is much more

heavily influenced by the rate of

and Brazil than in the UK.

the UK now has two economies.

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Coatings, two small man-

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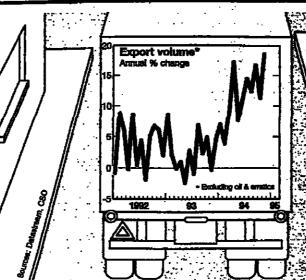
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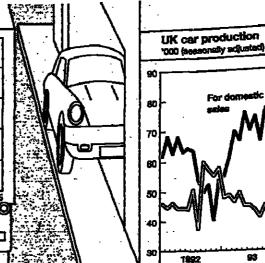
The machine tool industry shows

emain tight-fisted.

The first is in danger of overheat-

spending is unusually subdued.





Medicine for UK exporters may be poison for domestic industry, says Robert Chote growth was not necessarily less inflationary than growth generated by domestic demand.

The Brunk is nonetheless quietly satisfied at the way in which was not necessarily less than the way in which was not necessarily less than the way in which was not necessarily less than the way in which was not necessarily less than the way in which was not necessarily less than the way in which was not necessarily less than the way in which was not necessarily less than the way in which was not necessarily less than the way in which was not necessarily less than the way in which was not necessarily less than the way in which was not necessarily less than the way in which was not necessarily less than the way in which was not necessarily less than the way in which was

A tale of two economies

bled from £18.2m to £41.4m. Signs of overheating are already evident in parts of manufacturing, which exports about a third of its output. Manufacturers raised prices by 0.9 per cent in January, lifting the annual rate of factory gate inflation to an 11-month high of 3.4 per cent. This was in large part a response to the biggest annual rise in their fuel and raw material costs for a decade, itself a by-product of the strengthening world recovery

which is boosting exports. As manufacturers find it increasingly difficult to keep up with md for their products, so they find it easier to charge customers more. The proportion of manufacturers saying they have insufficient capacity exceeds the 10-year average and is the highest in Europe. They also took on 37,000 employees between October and December, the most for at least 17 years.

Direct evidence of inflationary pressure in industry is also mounting. Companies are taking longer to fulfil orders and are raising the prices they charge to customers in other industries. And price increases are no longer confined to those sectors most exposed to commodity prices, but extend to con-

rocessing and paint manufacture. Until the middle of last year, higher raw material costs were offset by a fall in the amount spent on wages and salaries to produce each unit of output. But unit labour costs in manufacturing have since picked up, rising at an annualised rate of nearly 6 per cent between the third and fourth quarters of 1994. With average factory earnings increasing by an underlying 5 per cent a year, labour costs should continue accel-

erating, pushing prices even higher.

uch signs of inflationary pressure in industry have already helped prompt the three half-point rises in UK interest rates since September. However, it is not rising prices in manufacturing that the Treasury and the Bank are concerned with, but their eventual impact in the shops. The government is aiming for underlying retail price inflation - excluding mort-gage interest payments - of 1 to 2.5 per cent in spring 1997.

There are already signs that cost and price pressures in industry are filtering through to the high street. Headline retail price inflation picked up from 2.9 per cent in December to 3.3 per cent last month, in part because retailers offered fewer and less generous discounts in this year's January sales

ous in their pursuit of bargains. The evidence last week was mixed. Retailers cut household goods prices by 2.1 per cent in January, less than in 1994 - but the volume of household goods sold still rose in the month. In contrast, a 4.6 per cent cut in clothing and footwear prices - again less generous than last year's - prompted a fall in sales of 1.7 per cent over the month. has slowed sharply in recent months, which may prevent price rises from sticking. Seasonally adjusted sales in the three months

up on the previous three months, the smallest increase since economic recovery began in 1992. But the Treasury and the Bank know that they cannot rely on bargain-conscious consumers to man the barricades against inflation for ever. The minutes of the December meeting between the chancellor of the exchequer and governor of

than they did in 1994.

Overall, however, it is apparent that high street spending growth

to January were only 0.1 per cent

The textbook solution to the divided economy would be a rise in the pound. This would subdue exports by making UK goods less attractive in overseas markets, but But it is not yet clear that shop-pers are becoming any less assiduwould have only a modest impact on domestic spending. But there is little sign of this happening spontaneously at a time when sterling is being undermined by the government's political weakness. Higher interest rates would nor-mally push the pound higher albeit with the side-effect of further depressing consumer spending and

the housing market. But raising rates might push the currency down rather than up by adding to the Conservatives' unpopularity. "In that respect, there are many similarities between where we are now and where we were before Black Wednesday," says Mr Kevin Gardiner, UK economist at Morgan Stanley, the US investment bank. So the policymakers' dilemma is acute. Higher interest rates are their only practical policy response to inflationary pressure, but this might widen the gap between the two economies, rather than closing it. The most likely strategy is perhaps one of masterly inactivity, combined with a few prayers for the fortunes of the pound.

growth in the economy as a whole is slowing, believing that this will help to keep inflation low. The non-

oil economy expanded in the fourth quarter at a rate of 2.8 per cent a year, only slightly higher than that sustained in the past without push-ing up the rate of price increases. The markets remain constitute to

The markets remain sensitive to

every new statistic, however. Mon-

day's news of the jump in factory

gate prices fuelled fears of inflation.

But these melted away two days

later, after the fall in retail sales.

Home and away results

Chris Tighe contrasts the experiences of two manufacturers

While the Gateshead company's labour overheads are lower than those of its main competitors in Germany and Japan, its prices are higher. Yet the orders keep coming. This, says Mr Matt Cooper, chief executive, is because Crabtree's rior - an edge which commands

Last year Crabtree made profits of £4.1m on turnover of £28.8m. economic development in China Turnover this year will be around £32m. To keep up with demand,

some employees work between 10 and 15 hours a week overtime. Because it is working near capac ity, Crabtree is considering a 2500,000 extension to house more

press lines. Tor Coatings, a nearby industrial entirely dependent on the UK for its £6-7m turnover.

Founded in 1976 by Mr Guy Readman, chairman and managing director, Tor is profitable. But it has had to respond quickly to some disadvantageous trends. Ten years ago, household paints ecounted for a third of turnover. But over the last two years it has phased these lines out, in response to the growth of retail sheds offering discounted prices to bargain-

"Nobody other than glants can make money in the domestic retail paint market nowadays," says Mr Readman.

Tor is still in another fiercely competitive market - industrial to competitive pricing pressures.

coatings. In the past four months, raw materials costs have risen 24 per cent, but it has proved impossi-ble to pass on such increases to

Mr Readman is optimistic that cost pressures will ease. Eventually, he says, the least efficient producers fade out. But in the mean

time everybody is squeezed. More than half Tor's current turnover is from specialist decorative coatings for public areas and the hygiene-sensitive food and cialist coatings for other manufac turers to their own, carefully guarded, specifications. In such niche markets, a relatively small company like Tor is less vulnerable

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MAN IN THE NEWS: Jimmy Knapp

WITH

The thorn in Microsoft's side

Sporkin doesn't pretend to know the difference between bits and bytes, he has become the central figure in a legal drama that has rocked the world computer industry over the

On Tuesday, the federal judge rejected Microsoft's proposed anti-trust settlement agreed with the US Justice Department, raising the possibility of a renewed legal challenge to the company's dominance in personal computer software.

He has also raised tough questions about the willingness or ability of US regulators to enforce competition laws on a company that is an icon of American enterprise. Within the personal computer industry, however, the 63-year-old judge has become something of a hero. He is seen as a champion of efforts to end Microsoft's alleged "bully tactics", which many industry executives claim are anticompe-

Even Microsoft's critics acknowledge - with a smile - that the com-pany was unlucky in drawing this judge. "Most judges would have says one industry lawyer. Outspoken and independent. Judge Sporkin insists on digging down to the roots of every case. Appointed to the district court by President Ronald Reagan, Sporkin was chief counsel for the Central Intelligence Agency from 1981-86. Before that, he was chief enforcement officer for the Securities and Exchange Commission in the 1970s, where he made his mark as a strict regulator who frequently aniagon-

Over the years, Sporkin has earned a reputation for setting his own rules. In 1991, for example, he pany was the requirement under US

ithough Judge Stanley blocked a \$1.2bn settlement of damages caused by the Exxon Valdez oil spill in Alaska on the grounds that it would not adequately compensate Alaskan natives.

Microsoft's tangle with antitrust authorities began in 1990 when the Federal Trade Commission opened an investigation into complaints about the company's business prac-tices. Officials interviewed dozens of industry executives and dug through more than 1m pages of Microsoft documents. But in August 1993, the commission voted to drop the case after twice reaching deadlock over whether to take action. In an unusual move, the Justice

Department's antitrust division, headed by Anne Bingaman, reopened the Microsoft case on the same day. There were rumours that the department would force a break-up of Microsoft, or impose harsh sanctions. Yet last July, Ms Bingaman announced that Microsoft had agreed a settlement with-out admitting wrongdoing - on terms that shocked software industry executives, who had provided evidence of Microsoft's allegedly anticompetitive tactics.

The central theme of the allega-tions was that Microsoft used its dominance in the PC operating system market to gain unfair advantage in other sectors of the software business. Yet the settlement only required changes to the agreements Microsoft imposed on PC manufacturers and third-party software developers. Disillusioned industry executives said that Microsoft had "escaped with a corporate slap on the wrist". Some said privately that they feared retribution from Microsoft for their collaboration with gov-

ernment officials. The only hurdle left for the com-



antitrust laws to have the settle ment approved by a federal judge to determine that it was in the public interest - which brought Judge Sporkin on to the scene.

At its first meeting with Sporkin, Microsoft seemed to get off on the wrong foot. The judge apparently told the company's lawyers that he was reading Hard Drive, an unflattering biography of Bill Gates, Microsoft chairman. The book, written by two Seattle newspaper reporters, contains accusations of anticompetitive behaviour by the

In hearings over the past few months, Sporkin has bluntly questioned why Microsoft is not facing wider charges. In particular, he picked up on the issue of "vapourware", an industry term for products that are announced long before they are ready. Microsoft is alleged to have announced such products repeatedly to blunt sales of competi-

The judge enraged Justice Depart-

ment and Microsoft lawyers by accepting input from outside parties - some unnamed - even after the normal two-month public comment period was over. Microsoft complained that the court should not be the functional equivalent of the Spanish Inquisition, in which defendants were denied any ability to

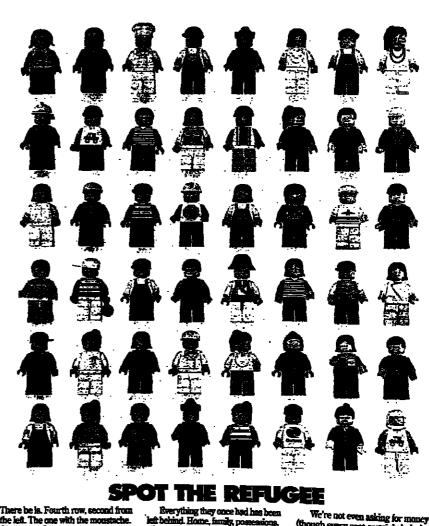
When the judge finally rejected the settlement this week, he charged that it was "too little, too late" to address Microsoft's alleged antitrust violations.

"The government is so anxious to close this deal that it has interpreted certain anticompetitive practices so narrowly that it possibly has given the green light for persons to engage in anticompetitive practices with impunity," he said. The Justice Department and Microsoft have challenged the ruling in an appeal, filed on Thursday. They argue the judge has overstep-ped his authority by considering allegations against Microsoft that were not part of the original com-plaint.

The department is also concerned that the ruling could discourage other antitrust defendants from reaching settlement agreements. "As long as Judge Sporkin's deci-sion stands, scarce government resources likely will be wasted litigating cases that it otherwise would settle," said Ms Bingaman in the Justice Department's appeal. Antitrust lawyers not involved in the case say that the judge may have overstepped the mark and that he is quite likely to be overturned

Yet the judge has for the first time aired issues publicly previ-ously discussed only behind closed doors in the computer industry. Like many distinguished predeces-sors on the federal bench, he has taken his role as the defender of the "public interest" to heart - to the discomfort of one of the world's most powerful companies and the

Louise Kehoe



the left. The one with the moustache. character you're looking at is more

likely to be your average neighbour-hood slob with a grubby vest and a weekend's stubble on his chin.

And the real refugee could just as saly be the clean-cut fellow on his left.

Everything they once had has been left behind. Home, family, possessions, all gone. They have nothing. And nothing is all they? If ever have makes we all systems a behind hand unless we all extend a helping hand, We know you can't give them back

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UNHCR is a strictly humanisarien
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for more than 19 million refr UNEICR Public Inform

(though every cent certainly helps). But we are asking that you keep an open mind. And a smile of welcome.

it may not seem much. But to a



Mr Jacques Toubon, the French culture minister, invited his EU colleagues - in Bordeaux for a meeting to the village of St Emilion amid the region's famous vineyards. He led them into a long, cool cellar to sample some of France's finest wines before scating them at candle lit tables for a five-course feast of foie gras, lamb and creamy vacherin cheese.

Somewhere along the line the seduction failed. The next day Mr Toubon stood isolated. Only Portugal and Greece were remotely interested in French plans to reinforce the rules and quotas ensuring a majority of programmes shown on the continent's television channels are European.

Many blame the French govern-ment's failure on bullying tactics which raised the hackles of other member states and made the television industry suspicious. But even a more emollient manner would not necessarily have done the trick; while all EU member states believe they can help promote European culture, the case for quotas is not clear-cut.

As one commission official put it: Quotas are a French obsession, not a European one.

The Union already has a system of quotas which, though flexibly applied, has been broadly respected in the five years since it was introduced. Known as the Television Without Frontiers directive, it requires that 51 per cent of material shown by European television channels be of European origin but only "where practicable".

There have been few infringements. with terrestrial broadcasters happily and easily meeting their commitments. But the French, backed by some senior officials at the European Commission and Mr João de Deus Pinheiro, the former commissioner responsible for audiovisual affairs, thought the regime too weak. Towards the end of last year - when the directive was due for revision -they campaigned for stricter rules. These included removal of the words "where practicable" and a tightening of the definition of European-made programmes to exclude chat shows

and game shows.

Vision fades for fortress Europe

Emma Tucker on French efforts to protect European TV



without merit. A quick surf through EU television channels reveals a grim array of game shows, talk shows, and wobbly-set soap-operas interspersed

with American films.
Furthermore, the UK, while applying quality thresholds to its domestic channels, allowed non-domestic satellite stations to ignore the quotas and to other European countries - behav-

Belgian governments.
Other member states and numerous television companies, however, are worried that a tighter system of quotas dictating what TV channels may buy or transmit would discourage investment just as the industry faces big technological changes that will

allow a proliferation of new channels. Mr Ralf Beke-Bramkamp of Germany's Bertelsmann, one of the hasty action now could seriously dam-age the development of services such as tele-shopping and interactive television. "You can't really see in which direction all the new technologies will move," he says. "We should keep the rules regulating television as simple

French industry takes, on the whole, a different view. Mr Pascal Rogart, secretary general of the Chambre Syndicale des Producteurs Français, describes quotas as the

"vitamins" necessary to boost Europe's audiovisual industry.

"The rules as they exist are too weak," he says. "The audiovisual sector is not just an industry. It reflects our cultural diversity and we have to

Further, the frantic lobbying by the US entertainment industry at the slightest hint of a change to the existing EU regime is proof, according to Mr Rogart, that quotas are attacking the right target.

"If tomorrow there were 30-40 per cent Japanese cartoons dominating American screens, believe me, the US would use quotas," he says.

More persuasive, perhaps, is the example of Canada, which has lived with quotes for 30 years. They have been an enormous suc-

cess," says Ms Pauline Couture, a Toronto-based communications consultant. "It is very widely acknowledged here that without this kind of framework there would be no healthy Canadian production sector generating over C\$2bn (US\$1.4bn) a year." Cable TV operators in Canada must

invest 5 per cent of revenues in local community channels, while terrestrial broadcasters and certain cable channels have to broadcast set percentages of Canadian programmes during prime time between 6pm and 11pm.
"This is a challenge for those who

On one side you have to respect freedom of choice; on the other you have to realise that voices and choices will be lost by moving massively towards uniquely price-based decisions - in which case the big guys will always beat the little guys."

Canada shares a long border with the US and 75 per cent of its people speak English, making it an easy target for US television. But in Europe the case for protection is hazier, it was not just the British telling Mr Toubon that his plans for a fortified cultural Europe were misguided.

The Swedish minister was worried about freedom of expression; Italy said dramatic changes to the existing directive could make it too expensive for television channels to invest in the new technology they needed; Denmark said the moves were undemocratic and asked that the quotas be progressively abolished; Germany which honestly confesses that Germans prefer watching US films, was lukewarm from the start.

🖥 inally, as pointed out by Commission officials, the present system has not achieved one of its principal aims - promo ting the circulation of European-made programmes around the Union.

"You never see Greek programmes in Germany," said a sceptical Com-mission official. "All that the quotas do is fragment the market and preserve national products for national markets."

The most likely outcome to the present debate is that the EU will eventually have to commit itself to a gradual phasing out of quotas.

This leaves the French in a difficult position. If EU quota requirements are reduced, France will have to use its own system of national protection to preserve the French and European content of its programming as new channels proliferate. But that would invite a legal challenge from, say, an English-language film channel which could argue that the French were contravening European laws on free trade in services.

Perhaps it was this prospect, more than anything, that prompted France to plough ahead with its ambitions for greater cultural protection by the EU. But all the French achieved in the negotiations that led to the feast in St Emilion was to draw attention to the questionable merits of the whole

being lowered more than 3 per

cent except in promotional

sales. They are supposed to stand for individual liberties,

yet it is the Greens that lead

on the issue of police surveil-lance. They claim to espouse

the virtues of the market econ-

omy, including longer shop-

ping hours and more privatisa-tion, but their ability to act is

constrained by the party's

weakness within the Kohl

Mr Erkens and other FDP

officials sometimes admit a

stint out of government might force the liberals to rethink

their strategy and revamp the

coalition.

Interactive parks are on the increase. Michiyo Nakamoto dons her virtual reality headset in Japan

Beam guns and goggles

of Las Vegas and the high technology of Nasa into a kaleidoscope of colours. Then picture yourself sitting inside that kaleidoscope, trying to navigate your way to safety while being tossed and turned by an invisible hand. That was how I felt after a

few rides at Joypolis, Sega's "interactive entertainment" theme park in the port city of Yokohama in Japan, where visitors are treated to the lat-est in high technology thrills. European fans of computer

ised entertainment will next year be able to experience such electronic wizardry for themselves when Sega opens a sister facility at the Troca-dero in London's Piccadilly

Segaworld, as the London complex will be known, will feature similar attractions to its Japanese forerunner. It will be the fourth interactive entertainment theme park opened better known for its video games machines and Sonic the

Hedgehog mascot. But it will its kind in Europe. Jovpolis. which opened

last summer, is already proving popular, attracting up to 10,000 visitors a day on week a day on weekends and holidays.

9,000-A square metre indoor park, Joypolis is no Disneyland. Unlike conventional theme parks which thrive dreams and fantasy, it aims to offer true-to-

life experi-

ences, albeit in

pre-packaged. pre-programmed form. These range from virtual reality flights to a city of the future and deep-sea fish-

ing on a screen. The virtual reality rides are probably the closest most of us will come to racing at 360km an hour or spinning our way through a jungle of skyscrap-ers in an aircraft and emerging unscathed. The graphics of one large-screen shooting game, displaying a countryside scene, are so realistic that players might for a fleeting moment forget they are in a

concrete building. Sega has focused on the idea that entertainment should be interactive if it is to be fun. The rides and games are structured so that the performance of players affects the course of events and always leads to some kind of

On the VR-1 Space Mission. a virtual-reality ride that is one of the Joypolis's main attractions, riders board a spaceship and wear head-mounted display screens which look like futuristic space goggles.

The headgear shuts out the surroundings and transports the rider 300 years into the future. Everyone on board is converted into a graphic character, which appears to move in exactly the same way as the person it represents. The technology's three-dimensional computer graphics give each person a 360° view. With crew in place, head-

mounted displays fitted and beam guns in hand, the space-

AD and the human race has pushed its frontiers into outer space. The spaceship's mission is to deliver information to the planet Bascco. But before it can do so, it is attacked by enemy forces.

The course the spaceship takes, the damage it incurs as it manoeuvres its way past enemy ships, its safe arrival at its destination - all depend on the skill of crew members in fending off the enemy with their deadly beam

We were told that the suc cess of our mission was entirely in our hands. Unfortunately, our teamwork was not all it should have been. In spite of frantic pressing on the buttons of our beam guns, our spaceship crashed into an office building and out again. shooting wildly at enemy ships, and ended up landing ignominiously on its belly. Our mission was a miserable failure.

Undeterred by the experience, we tried our hand at Virtua Formula, a machine which

> driving. But Virtua Formula does more than simply transport would-be drivers to the racetrack. It the physical sensation of speed - bumps crashes and all to the ride.

The driver

sits in a racingcar cockpit in front of a huge screen. The real steering wheel. which players IT'S THE MOST SCARY control. is sen RIDE IN THE WHOLE sitive to the INTERACTIVE ENTERTHINMENT THEME PARK road surface on the screen. The moves up and

down or side to ning of the engine. This in turn corresponds with what is happening on the screen, as

the driver negotiates bends Most drivers who take up the challenge for the first time are likely to feel humiliated by the experience, which is at

once exhilarating and punish-Joypolis is targeted mainly at 20 to 30-year-olds. Sega has made an effort to combat the popular image of game-centres as ill-lit and rather sleazy by keeping the place bright and cheerful, and providing plenty

tumes suited to the rides they Many visitors to the complex are women in their early 20s. although some of them look as though they would be happier meeting Donald Duck than shooting the next dark

of attendants dressed in cos-

invader. The success of its Japanese ventures has encouraged Sega to set itself the ambitious goal of opening 150 more theme parks over the next five years. Of these, 50 will be in Japan. 50 in North America and the rest in Europe and Asia. The company has already received more than 100 proposals from

Meanwhile, it is striving to improve its computer graphics and virtual reality technology. It promises to have a completely new game ready in

interested parties.

care about national cultures," says Ms The French case was not wholly iour which infuriated the French and world's largest media groups, says Couture. "But it is a delicate balance. Germany's confused liberals are hoping for a reprieve in a state election on Sunday, says Judy Dempsey

On the brink of irrelevance

party (FDP), the junior partner in Chancellor Helmut Kohl's governing conservative coalition. is nervously awaiting the outcome of elections on Sunday in the prosperous state of Hesse. These are the first elections

since the German government was returned to power last October, and should give an indication of its popularity; Mr Kohl's opponents, the Social Democrats and their Green partners, are expected narrowly to retain power in

But the most important issue will be the fate of the troubled FDP. Germans are waiting to see if the party can win more than 5 per cent of the votes, the minimum required to enter the state parliament.

Hesse has long been a stronghold of social democrat workers - it is home to Hoechst, the chemical group, Opel, the carmaker, and Degussa, the industrial conglomerate. But its inhabitants also include many members of the FDP's natural constituency: the self-employed Frankfurt dentists, doctors, lawyers, and especially the managers of the Mittelstand, the small and medium-sized enterprises which are the backbone of the

German economy. A crushing defeat for the FDP in Hesse would not only confirm the defection of these loyal supporters; it could signal the demise of the FDP as a force in German politics.

"intelligent middle-class

viewer and listener" Christo-

pher Dunkley should disparage ITV ("Why the BBC should be

bourgeois", February 15). And yet as recently as Octo-

ber last year Dunkley said of

our factual and current affairs

output: "ITV currently looks

like much the most fierce

champion in British television

Quite so. In 1994, the volume

of factual programmes in the

mid-evening peak-time sched-

ule rose by 50 per cent. This hardly squares with the charge

that ITV "concentrates on the

maximisation of ratings by

way of game shows, soap

of the public right to know."

ITV output proves it does

interference in the economy and greater freedom for the individual continues to hold a special place in Germany's political system. To do so, the party has to prove it can reverse a string of electoral

defeats. The FDP's record of the past two years has been miserable. It failed to win any seats in the last nine state elections or in those for the European Parlia-ment last year. FDP membership in eastern Germany has plummeted to 30,000 from

Kinkel never wants to rock the boat. We might as well be cleaning the CDU's shoes'

140,000 in 1990, and there are now less than 60,000 members in the west of the country. Half of the FDP's voters used to be women, but the proportion has now dropped to less than a quarter. Meanwhile its traditional supporters from the professions are defecting to the Greens, to Mr Kohl's governing Christian Democrats (CDU), or to the SPD. "You can see why Hesse matters," says Mr Rai-ner Erkens, head of the party's political department. "We have

For years the FDP has been an important part of an elec-toral system based on propor-

to start reversing our for-

ermany's liberal The party has to prove that tional representation in which Free Democratic its philosophy of reduced state every vote matters. The two big German political parties the CDU (in alliance with the Christian Social Union) and the SPD - have long depended on the FDP as a coalition part-

> From 1969 to 1982, the FDP was in league with the SPD. Since then - with enormous damage to the liberal-left wing of the party - the FDP has been in coalition with the CDU/CSU. In this role as kingmaker, the FDP has curbed the extreme views of its partners, including the conservative penchant for more police surveillance of individuals and the SPD's ideological aversion to

> privatisation.
> FDP ministers in the Kohl government have the foreign affairs, justice and economics portfolios. But the price of being in government is high. Sharing the spoils of power while simultaneously retaining a separate identity has proved difficult for the FDP. "The votfor any more. We do not defend

> our principles enough," says Mr Erkens. Mrs Cornelia Schmalz-Jacob-sen, head of the federal office for foreigners' affairs, and one of the FDP's more articulate parliamentary deputies, is more blunt: "The party is too timid. It lacks courage. It lacks leadership. It lacks ideas." Some FOP members blame

Mr Hans-Dietrich Genscher, the former foreign minister and party leader, for the decline. "The problem was that





Free Democrats blame both Hans-Dietrich Genscher (left) and Klaus Kinkel for their party's decline

he was the party. We relied on him too much. We neglected the grassroots. We neglected our principles," says a liberal parliamentary deputy. With Mr Genscher at the helm, the party took 11 per cent of the vote in the 1990 federal elections. By October last year, its share had dropped to 6.9 per

Other disgruntled FDP members point the finger at Mr Klaus Kinkel, the current foreign minister and FDP leader. and Mr Otto Solms, the party's parliamentary leader. "Kinkel not only lacks imagination." says a senior FDP official. "He never wants to rock the boat in the coalition. We might as well be cleaning the shoes of the

The party is now trying to distance itself from the CDU on several issues - it supports lower taxes and reduced subsi-dies for industry, for example - but the timidity remains. Whenever Mrs Schmalz-Jacobsen wants to tell voters in Hesse that Germany's 6m disenfranchised foreigners should have more rights, Mr Solms tells her to stop talking about the need for dual citizenship. "I get very angry," she says. "Either we have principles or we don't."

But what are those princi-ples? The FDP, which emerged from Germany's pre-war Democratic party and the People's party, has to cope with two tendencies in its ranks - the nationalist wing and the liberal or progressive wing. The nationalists, strong in Berlin, want to recoup lost electoral ground by attracting

voters from the conservative part, are floundering. They purport to defend the interests of the individual against regu-

The progressives, for their lation and red tape, yet the party refuses to back the scrapping of the 1933 Rabattgesetz law which prevents prices from

leadership. The counter-argument is that the essential moderating influence which liberals have exercised on successive post-war governments would disappear. "But we have to prove that we are needed and different from the two biggest political parties," said Mr Erkens. "That is why Sunday matters."

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine').

Translation may be available for letters written in the main international languages.

not concentrate on the 'instantly forgettable' instantly forgotten. ITV con-From Mr Leslie Hill. Sir, What a pity that in exhorting the BBC to serve the Cast net wider for WTO leader centrates on satisfying viewers

children and sport. Home produced, high quality drama is the cornerstone of the channel's success. Programmes of the calibre of Prime Suspect, Sharpe, Kavanagh QC, A Touch of Frost, Cracker and

wrote in October 1994; Today, Between the Lines is not only not the best police series, it is not even second best. ITV's Cracker is clearly superior, and even The Bill, also on ITV, is better." In case he has forgotten, the distinguished critic was Dunkley writing in the FT. Leslie Hill,

Independent Television Association, 200 Gray's Inn Road, tional arms trade, were to be | London WCI SHF, UK

with a portfolio of programmes of unrivalled popular and criti-From Mr Hugh Corbes. cal acclaim in drama, docu-Sir. The letter from a group mentary, news and current affairs, entertainment, comedy,

many more are the admitted envy of the BBC As a distinguished critic

> developed or developing, look to multilateral institutions to safeguard their interests. The European Union, Japan and the US do not need them in the same way. Under the Uruguay Round agreements, developing comtries have had to assume

ing not done so previously. By

of the WTO system are devel-

appointments of Arthur Dun-kel and, before him, Olivier Long, both civil servants from Switzerland, as director general of the General Agreement on Tariffs and Trade.

wide-ranging obligations, hav- director-general of the Gatt/ WTO should be a political figure. Mr Sutherland did a great job wrapping up the Uruguay Round negotiations. It does not follow, though, that his successor must also be a politician.

There is now a stalemate between the two leading candidates, Renato Ruggiero and Carlos Salinas. Therefore, although other candidates might be suitable, it is time to cast the net wider. Non-politi-cal candidates with political skills - whether civil servants, academics or whatever, and including ones in the leading trading powers - would stand the best chance of commanding the confidence of small

COuntries. Hugh Corbet. Guston Signer Centre for East Asian Studies, George Washington University, 2130 H Street, NW, Washington DC 20052, US

|A premier institution

From Mr Nick Durlacher. Sir, I refer to your leader, "Alas, poor Warburg" (Febru-

ary 14). The London International Financial Futures and Options Exchange is the third largest futures and options exchange in the world, and premier exchange in Europe. Its inter-national membership and derivative contracts across seven leading currencies enable it to contribute £700m a year to invisible earnings, and rightly enable it to claim to be the world's leading international futures and options

exchange. A "lesser domestic institution"? I think not. Nick Durlacher,

Liffe, Cannon Bridge Landon, EC4R 3XX, UK

Heavy price of poverty

Sir, I very much agree with your editorial, "The poverty of policy" (February 15), that it is in our own interests to help the poorer sections of society. I remember reading that it was this sentiment which persuaded Joe Kennedy to throw his weight behind Franklin D. Roosevelt and the New Deal in the 1930s. He realised that, if he did not act, he and his family would pay a heavy price.

From Mr Brendan Farrell.

In the UK we have begun to pay that price. Burglary, vandalism, unsafe streets - all these things are, in reality, a sort of indirect taxation levied on each and every one of us who has not had the good fortune to insulate ourselves from the cares of the world with sufficient wads of money. Brendan Farrell 52 Uplands.

Middleton. Manchester M24 1FA, UK

exchange community across

Once we have a single cur-

rency this loss of profit will not

be industry's gain, as I am sure

that banks will introduce

charges for cross-border money

Banks after new 'spread'?

Europe.

From Mr Martin Gatto. Sir, While not wishing to comment on whether or not a single currency will be of benefit to the UK, I am left wondering what the position of banks will be once a single currency

as it crosses the borders of Europe is well known. These devaluations or foreign exchange commission costs, "the spread", represent

arrives.

movements.

Anyone who has tried to The Edward Heath story of the devaluation of the pound transfer pesetas into Spain will understand this. Martin Gatto, finance director,

Somerfield Stores. Somerfield House. substantial profits to both the Whitchurch Lane. banking and the foreign Bristol BS14 OTJ, UK

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Section 1988 1

AV A GARAGE

製造の実施を持ちられた。 発験には表したがあります。 食品を一定なる。

the later than the second

operas and formula drama, most of which are instantly forgettable". it would be very disappointing, for example, if last autumn's first-ever themed week, The War Machine, a robust inquiry into the interna-

chab man.

of economists (January 27), and your earlier editorials ("Choosing a WTO leader", December 14, "Leading the WTO", October 28, and "Leader

for the WTO", July 7 1994) on the need for a fresh search for a successor to Peter Sutherland as director general of the World Trade Organisation can be reinforced by the smallcountry argument. Whoever is appointed must not only be supported by leading trading powers but also, as part of the required consensus, enjoy the confidence of small countries. Small countries, whether

participating in it more fully, they now have a much greater stake in the international trading system, their positions being similar to those of the small developed countries. Today, 98 of the 128 members

oping countries. Many rely heavily on a liberal trade regime. For them, much depends on how the subtle, and only apparently technical. issues that will shape the WTO are handled under a new director general's leadership. The small-country argument was implicitly accepted in the

In the 1980s, however, there developed a belief that the

MARKETS REPORT

Fragile dollar

The dollar finished off its lows in Europe yesterday amid unconfirmed rumours of central bank intervention to support it, writes Philip Gausith.
Earlier it had fallen below its 1994 low of DMI 4850 to reach DMI 4780, before recovering. It closed in London at DMI 4887, from DM1.4914 on Thursday. The D-Mark continued to reign supreme. The most con-spicuous victim was the Italian lira, which fell to L1,087, before

Bank of Italy support helped it back to a close of Li,080. Sterling also fell further, to finish at DM2.3463, from DM2.3506. It was unchanged against the dollar at \$1.5761.

Trading slacked off in the afternoon ahead of the US long weekend. Markets are closed on Monday for President's day.

■ The pattern of trading was established early in the Euro-pean morning when political news out Spain established early demand for D-Marks.

CROSS RATES AND DERIVATIVES

19.17 10 11.34 3.943 9.187 0.365 3.517 8.973 3.809 4.530 7.996 4.863

9.251 4.169 5.870 6.023 7.425

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E D-MARK FUTURES (IMM) DM 125,000 per DM

Canada US Japan Ecu

16.91 8.822 10 3.479 8.104 0.322 3.103 7.916 3.380 3.997 7.054 4.113

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FINANCIAL TIMES

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EXCHANGE CROSS RATES

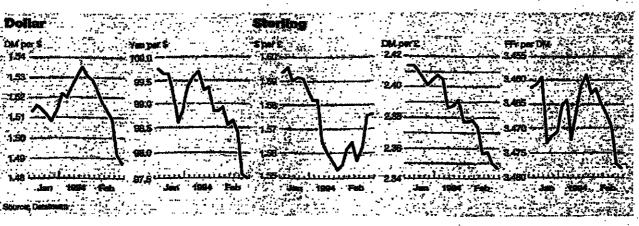
This was accentuated by the sharp fall in the lira, prompted by anxieties over passage of the mini-budget.

The market was full of rumours about central bank intervention, but there was no sign of the Federal Reserve or Bundesbank buying dollars. The Bank of Japan bought dollars during European trading, while the central banks of Italy and Portugal supported their currencies.

- Prev. ciose 1.5783 1.5777 1.5785 1.5876

Analysts said the Fed stayed on the sidelines, despite the dollar falling below the level November, because the market was not "short".

Intervention only works when the market is caught short, because in covering



CURRENCIES AND

ate the upward move prompted by the initial act of interven-

Although the Fed was notable by its absence, the poten-tial of intervention probably helped curb the dollar's fall.

Mr Mike Rosenberg, manager
of international fixed income
research at Merrill Lynch, in New York, said: "As long as there is the risk that the Fed might come in, a lot of people will be leavy about moving out

been granted a "temporary of the dollar."
Mr Rosenberg said prelimi-Mr Hawkins said it was not

Feb 17

their investor base showed them to be overweight/underdo to curb tensions. He said the two issues which have most unsettled markets - poliweight the dollar in the ratio of about 2:1. Shorter term traders, however, are likely to hold more neutral positions.

Although trading calmed

down in the afternoon, tensions look likely to spill over into next week. Mr Jeremy Hawkins, chief economist at the Bank of America in London, said the dollar had only hear granted a stemporary costs, and hence aggravating deficit management, they

tics and budget - would not necessarily be helped by the traditional response of raising interest rates. Indeed, by raising borrowing

MONEY

The release of US trade fig-ures failed to provide the mar-

1.0002 0.8440 1.4080 5.8100

expectations, this was offset by the total 1994 dedicit, the larg-

■ For the second day in succession, the Bank of England did not provide UK money established rates. It provided £245m late assistance, after forecasting a £350m shortage.

Money market rates, how ever, remained easy, with three mouth LIBOR unchanged at 6% per cent, the same as the base rate. ket with any direction. Although the December trade

%PA

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-0.00313 -0.0664 -0.0204 -0.00304 -0.00366 +0.00358

ems European Currency Unit Rates

2.11540 38.8526 18.2811 1,88696 7.46657 0.811080 6.56621 194.537

CALLS Apr 7.78 5.83 9.71 2.24 1.20 0.57

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1,92 5,93 4,08 2,64 1,86 0,94

BASE LENDING RATES

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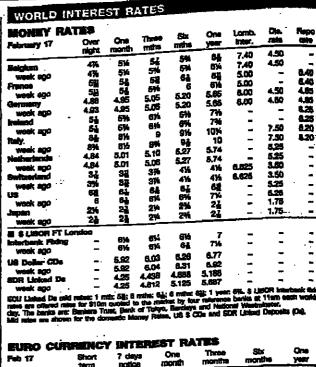
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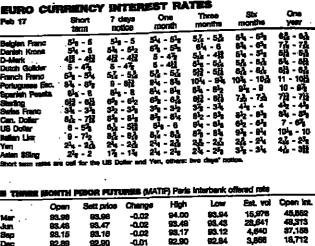
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	Open	Sett price	Change	High	Low	Est voi	Ope
Mar	93.98	83.98	-0.02	94.00	93.94	15,976	45
Jan .	83.48	93.47	-0.02	93,49	93.43	28,641	48
Sez	98.15	93.18	-0.02	93.17	93.12	4,640	37
Dec	92.89	92.90	-0.01	92.90	92.84	3,856	18
						•	
3 THE	E HORTH	RURODOLL	AR (LIFE)	\$1m poin	ts of 100%		
	Open	Sett price	Change	High	Low	Est. Vol	•
Mar		23.56	-			0	1
Jun '		93.17	+0.02			ø	8
Sap		82.85	+0.04			ø	1
Dec	92,63	92,54	+0.01	92.53	92.53	50	2
THE	Open	Sett price	Change	High High	Lów Lów	Est. vol	Оря
Mer	94.88	94.86	-0.01	94.87	94,85	11414	170
Jun	94,52	94.52	-	94.53	94.49	18934	196
Sep	94,12	84,12		94,13	94.09	13241	110
Dec	93.71	93.72	-	93.74	93.89	12189	86
A TIME	THOUSE THE	STACKER	MT.RATE	P. P	(LIFFE) L	000m poin	prod.
	. Open	Sett price	Change	High	Low	Est vol	Ope
Mar	90.72	90.84	+0.12	90.85	90.57	8054	35
Jun	. 89.93	B0.07	+0,12 .	90.07	89,75	14512	31
Sep	89.62	89.84	+0.11	89.54	89,36	1905	27
Dec	89,15		+0.11	89.25	89.10	675	15
		علقج وتندو	# LAVIE			rim points	of 10
				18-6			Ope
	Open	Sett price	Change .	High	Low	Est, voi	Upe 18

Est. vol Open int. 11474 170706 18934 189851 13241 115264 12186 86396 Om points of 100% Est. vol Open Int. 9064 35969 14512 31860 9064 14512 1906 675 m points of 100% Est, voi Open Int. 18623 17006 6856 6276 1623 712 518 637 95.95 95.64 95.34 95.08 95.98 95.64 95.36 95.08 -001 -005 +001 95.99 95.98 95.39 95.10 95.95 95.81 95.34 95.07 Open: 93.81 93.25 92.82 92.40 Selt price 93,78 93,28 92,81 92,38 -0.08 -0.01 -0.04 -0.04 High 93.81 Est, vol Open int. 9940 7035 3824 1951 1429 1038 170 45 98,74 93,24 92,79 92,40 Est, vol Open int. 72,760 393,758 221,692 420,265 213,343 278,076 Open 93.57 93.22 92.88 Low 93.65 93.16 92.82 -0.02 -0.05 -0.07 93.67 93.22 92.88 93.63 93.14 92.80 72,780 221,692 213,343

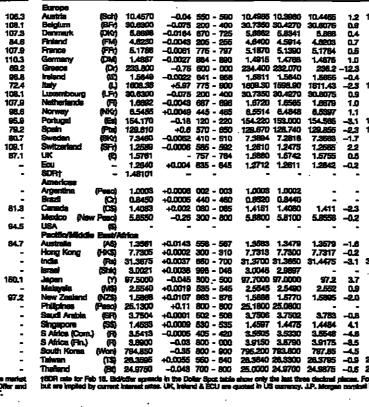
E UST	REASURY I		urus (L	(M) \$1m	per 1005	6		
Mer Jun Sep	94.25 93.77 98.44	94.2 93.7 93.4	4 -0.0)5 P	4.25 3.77 3.45	94.23 93.74 98.41	1,433 5,527 2,883	7,316 11,655 6,565
	idaus fgs. a MARK OF	•		im pointe	of 100%	6		
Strike			wis -				PUTS —	
Price	Mar	Apr	May	Jun	Mor	Apr	May	Jun
9475	0.14	0.04	0.07	0.09	0,03	0.27	0.30	0.32
DEDO.	20.04	6.64	8.66	- n	D 45			O 24

May 0.30 0.50 0.74 vtu 255057	2000
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	0.5
11	0.7
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Feb 17 Heligary Ispa Romell. Points Romels U.A.E. 178.651 - 188.277 | 114.168 - 114.399 2733.00 - 2737.00 | 1748.00 - 1750.00 6.4700 - 0.4747 | 0.2892 - 0.2298 2.6192 - 2.4212 6838.63 - 6868.75 | 4360.00 - 4353.00 5.7874 - 5.7904 | 3.6729 - 3.6732

FT GUIDE to WORLD CURREN The FT Guide to World Currencies table can be found on the Company's 8. Finance page in Monday's edition.

Feb 17		Closing	Change	Bid/offer		Mid	One mo		Three me		One ye		Benk of
		mid-peint	on day	apreed	high	lOW	Rate	%PA	Rate	%PA		76PA	Eng. Inde
Europe													
Austria	(Sch)		-0.0636			16,4508	16.4683	0.9	15.4346	1.1			106.3
Beiglum	(BFr)	48.2744	-0.1198			48.1180	48.2244	1.2		1.4	47,5894	1.5	108.1
Denmark Finland	(DK)	9.2510 7.2861	-0.0263		9.2902		9.2463	0.6	9.2347	0.7	9.1748	0.8	107.5
France	(FM) (FT)	7.2801 8.1818	-0.007 -0.0098	805 - 916 582 - 653	7,3670 8,1887		8.1551	1.0	8.1444	0.9	8.0906	1.0	84.6 107.9
Germany	(CMG	2.3483	-0.0043	453 - 473	2.3545		2.3436	1,4	2.3384		2,801		110.3
Greece		2.3463 368.481	-1.193			2.3369	2,3430	1,4	23304	1.7	2801	1.9	110.3
Instand	(Dr) (82)	1.0072		065 - 079	1.0088		1,0088	0.7	1.0059	. a.s	1.0048	0.3	98.5
Italy	12	2534.88	+0.0014			2527.57	2538.73	-1.8	2549.23	-2.3	2597.93	-25	72.4
Luxembourg	(LFr)	48.2744	-0.1198			48.1180	48.2244	1.2		14	47,5894	1.5	108.1
Natherlands	(FI)	2.6307	-0.0069		2.6416		2,6275	1.4	2.6204	1.6	2.5815	1.9	107.6
Norway	(NK)	10.3161	+0.0075			10.2638	10.3148	0.2	10.313	0.1	10.3007	0.1	98.6
Portugei	Œ	242,980	-0.291	847 - 112		242.084	243.58	-3.0	245.23	-87	10,3001	41	95.0
Soain		204.272	+0.839	189 - 380		202,969	204.582	-1.8	205.302	-20	208.802	-22	79.2
Sweden	SKA	11.5777	-0.0088	672 - 881		11.4914	11.583	-0.5	11.8192	-1.4	11,7047	-1.1	80.7
Switzerland	(SFr)	1.9540	-0.001	830 - 850	1.9912	1.9757	1.9796	2.7	1.9703	2.8	1.9228	8.1	109.1
UK	(E)	1.90-10	-0.001	- 000	1,0015	1-01-01	1,0140	-	1.0100	20	1.0220	۵.	87.1
Ecu .	~	1.2469	-0.004	461 - 476	1.2526	1.2436	1,2463	0.6	1.2451	0.6	1.2374	0.8	61.1
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Americas	_	0.542710	_		_	_	_	_	_	_	_	_	_
	(Peso)	1.5765	+0.0009	760 - 769	1.5875	1.5739		_	_	_	_		_
Brazil	(C)	1.3318	+0.0008	299 - 335	1.3445	1.3297		_	_	_	_	_	
Canada	(CS)	2.2195	+0.003	188 - 204	2 2446	2.2217	2.2229	-1.8	2.28	-1.9	2.2416	-1.0	81.3
	Pesol	9.2278	-0.4101	863 - 692	9.6142	9.1863				-110		-112	012
LISA	(53)	1.5761	-	757 - 764	1.5880	1.5742	1,5755	0.5	1.5743	0.5	1,5651	0.7	94.5
Pacific/Middle						1101 12			1101 40				
Australia	(AS)	2.1375	+0.0226	363 - 367	2.1404	2.1383	2.1393	-1.0	2.1459	-1.8	2.1689	-1.5	84.7
Hona Kona	0-8623	12.1837		B02 - 871	12.2752	12.1698	12.1827	0.1	12.2092	-0.8	12.109	0.6	
India	(Flat	49,4368	+0.0043	218 - 517	49.8120			-					
Israel	SH	4.7315	+0.0068	265 - 365	4.7520	4.7224	_	-	_	_		_	
Jacon	'n	153,885	-0.076	552 - 778	154.550		153.135	4.1	152	4.3	148,006	5.0	150.1
Malevele.	DASS	4.0252	+0.0029	235 - 289	4.0518	4.0205		~				-	
New Zeeland	NZS)	2.5011	+0.0169	995 - 026	2.5049	2.4995	2.5051	-1.9	2.5141	-21	2.5433	-1.7	97.2
	Peso	39,6062	+0.1721	188 - 938	39.6838			- 1.25					
Saudi Arabia	SFI	5,9108	-0.0001	092 - 124	5.9553	5.9089		_	_	_		_	_
Singapore	(58)	2.2904	+0.0013	895 - 913	2.3041	2.2887	_	_		_		_	
S Africa (Com.)	Fi)	5.5812	-0.001	788 - 838	5.6144	5.5737	_	-	_	-	_		
S Africa (Fir.)	Ã	6.1309		187 - 480	6.1798	6.1137							_
	(Mont	1252.72		237 - 308	1262.14			_		-	_	-	
Talwan	(13)	41,5439		276 - 602	41.8517		_	Ξ		-	_	-	_
Theliand	(100	38.3519		462 - 785	39.6370		_	_	-	_	_	-	_



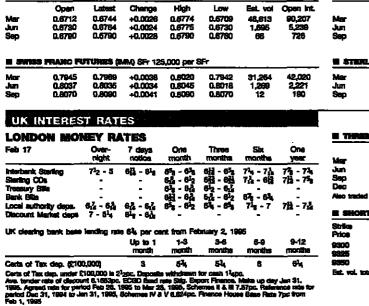
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153.6 69.22 97.46 100. 123.3

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1.500 1.525 1.550 1.576 1.600 1.625



	Open	Sett price	Change	High	Low	Est. vol	Open int
Mar	93,06	93.05	-0.01	93.07	93.04	8047	75548
Jun	82.31	B2.31	-	92.32	92.27	14844	96567
Sep	91.84	91.88	-	91.86	91.81	5141	69498
Dec	91,51	91.54	-	91.54	91.48	3100	52616
E SHOP	d on APT, Ak	à OPTION	(THE) 22		-	_	
E SHOF	T STREET	OPTION	LS	00,000 pc	ints of 100	PUTS -	
E SHOF		OPTION	LS		-	_	Sep
E SHOE Strike Price	T STREET	CAL	LS ——	00,000 pc	ints of 100	PUTS -	Sep 1.19
E SHOE Strike Price 9300	KT SYNCALIN Ma	CAL r Ju	LS ————————————————————————————————————	00,000 pc ep 05	Mar	PUTS	
	Ma 0.11	CAL r Ju	LS ————————————————————————————————————	00,000 pc ep 05 05	Mar 0.06	PUTS Jun 0.72	1.10

	Open	Sett price	Change	High	Low	Est. vol	Open int
	93,06	93.05	-0.01	93.07	93.04	8047	75548
n	82.31	92.31	-	92.32	92.27	14844	98567
1 0	91,84	91.88	-	\$1.86	91.81	5141	69498
C	91,51	91.54	-	91.54	91,48	3100	52616
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SHOR ka	T STREET	OPTION	LS	900,000 pc	olnts of 100	%	
SHOR No		OPTIONS	LS	•	-		Sep
SHOR No.	T STREET	CAL	(UFFE) 25 LS	900,000 pc	olnts of 100	PUTS -	Sep 1.19
SHOR rike ice 00	T STRUCTURE	CAL Ju	LS ————————————————————————————————————	900,000 pc	olnts of 100	PUTS	-
	T STEELER Mer 0.11	CAL Ju	LS ————————————————————————————————————	600,000 pc dep 05 03	Mar 0.06	PUTS Jun 0.72	1.19

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		•Guirness Mahon 6.75	Singer & Friedlander 6.75
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p	Senk of India 6.75	Citambros Bank 6.75 Hartable & Gen Inv Blk. 8.75	TSB
9	Bank of Scotland 6.75	CHE Samuel	Unity Trust Bank Pic 6.75
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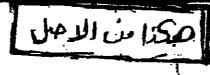
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FINANCIAL TIMES WEEKEND FEBRUARY 18/FEBRUARY 19 1995 * FT MANAGED FUNDS SERVICE 310.4 3007 | 120.564

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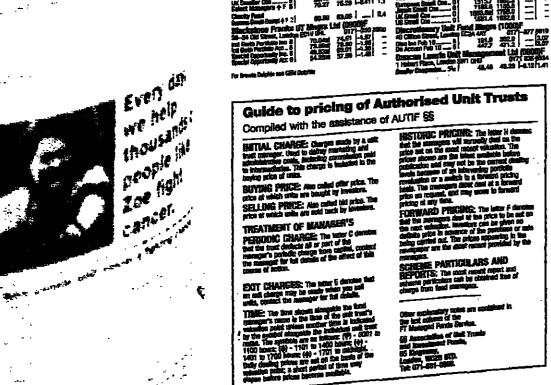
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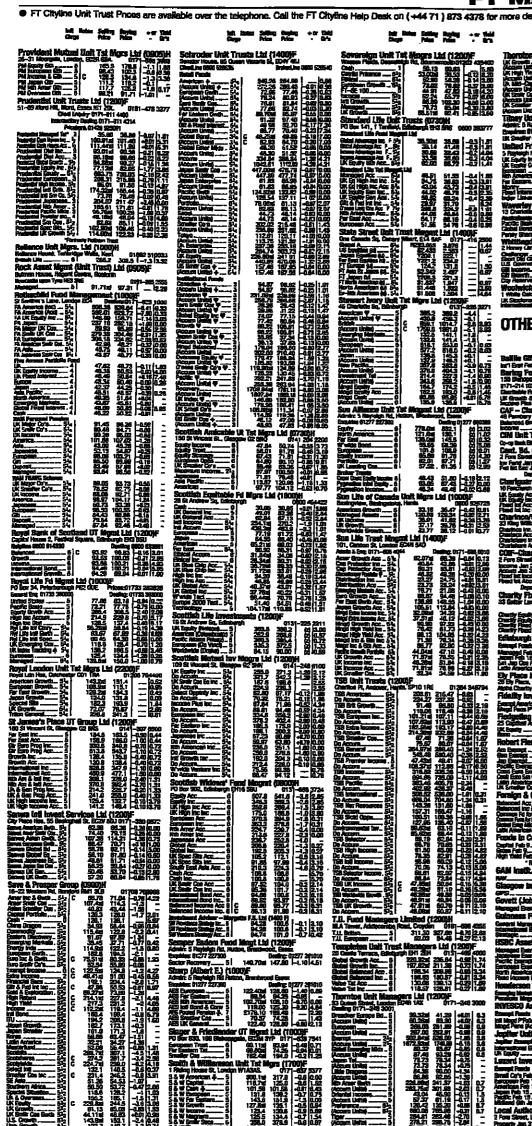
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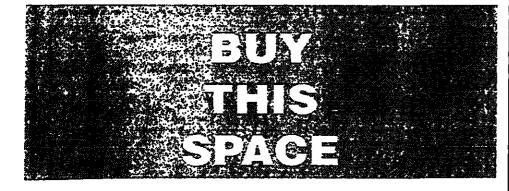
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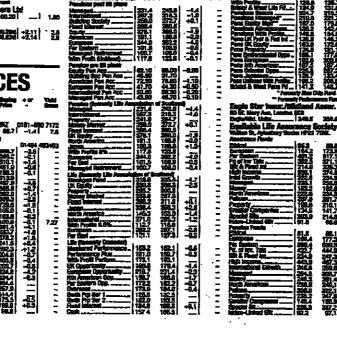
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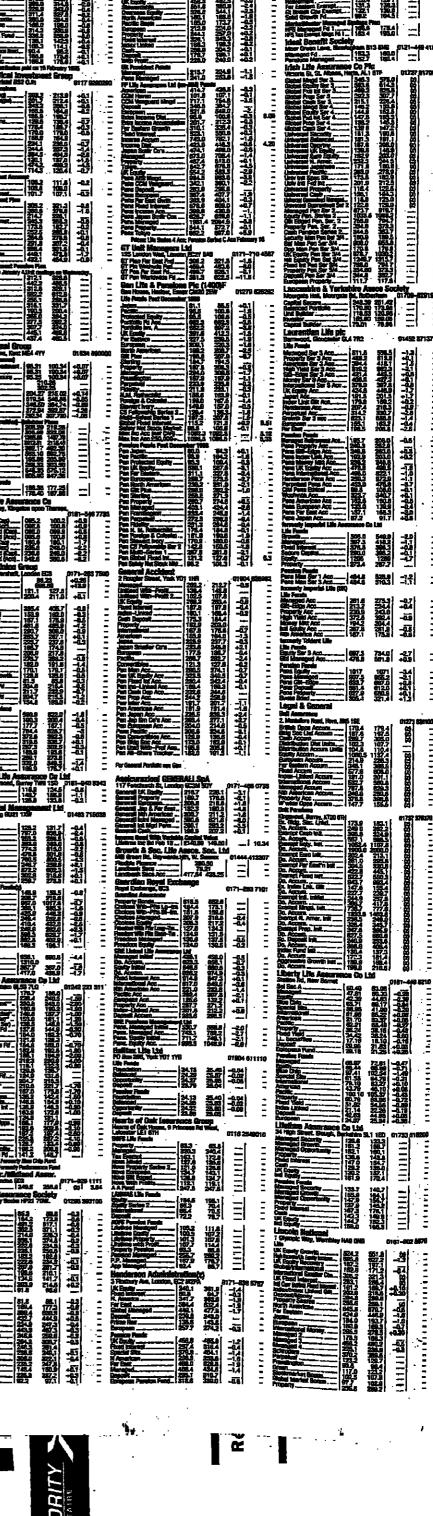
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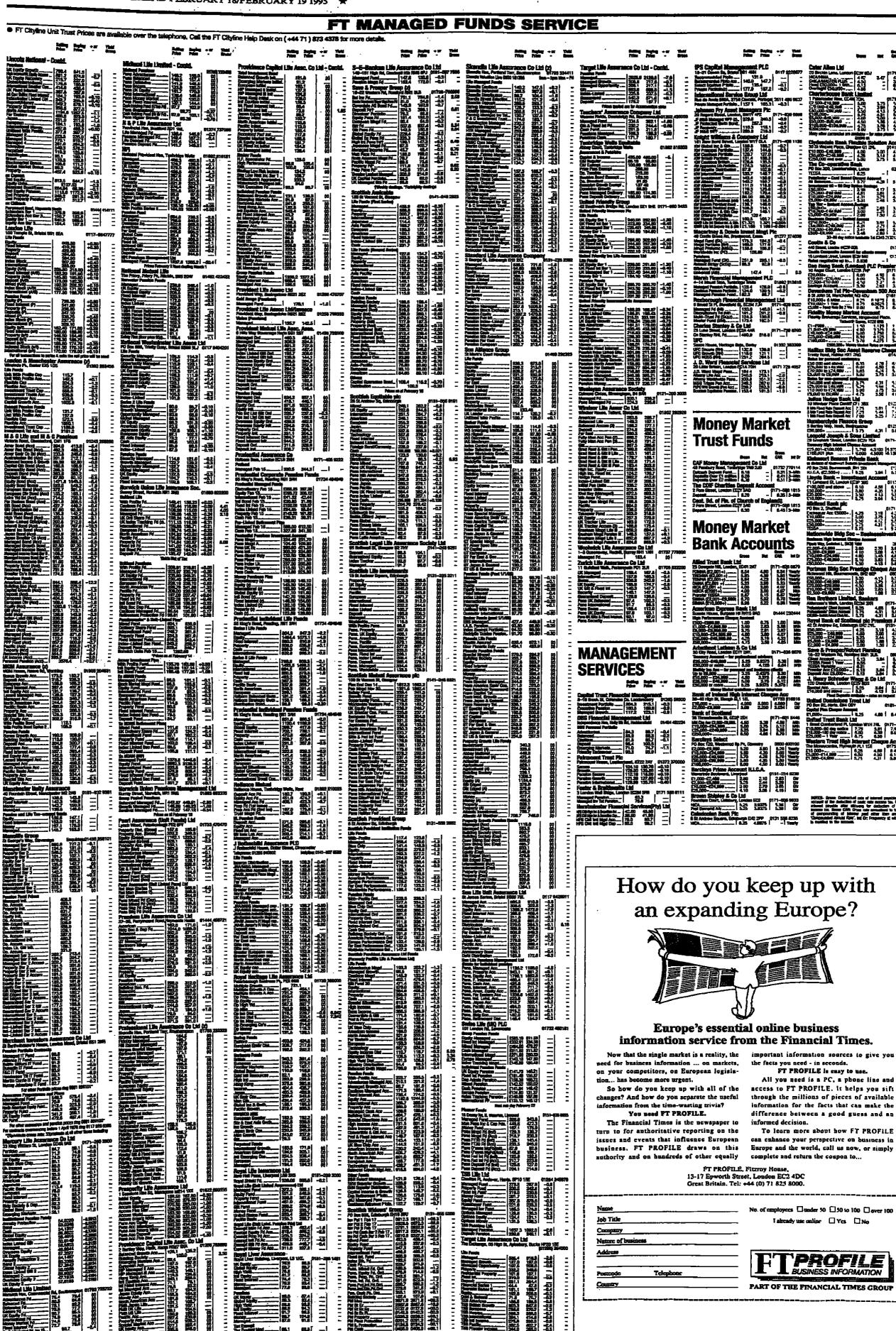




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Dow retreats as bonds, currencies slip

Wall Street

Flanked by slipping bond and currency markets, US stocks yesterday morning gave back the gains made after two days of record closes, writes Lisa Bransten in New York. At 1 pm the Dow Jones Industrial Average was off 8.08

at 3,979.44. The more broadly traded Standard & Poor's 500 lost 1.49 at 483.73. The American Stock Exchange composite fell 0.02 to 447.68. The Nasdaq composite lost 5.76 at 787.55. Trading volume on the NYSE came to 192m shares.

Afternoon trading was expected to be volatile due to the expiration of monthly options known as "double witching". Bonds slipped in the morning as traders reduced their holdings ahead of the three-day weekend. Markets will be closed on Monday in observance of the President's Day holiday.

In morning trading the long bond was down nearly a quar-ter of a point to yield 7.588. A lower-than-expected trade deficit of \$7.8bn failed to boost the bond or currency markets. Economists had estimated that the deficit would be closer to

figures, the deficit for 1994 was at a record high of \$108bn. The dollar was weaker against the D-Mark and the Japanese yen, declining to DM1.4855 from DM1.4893 late on Thursday and to Y97.30 from Y97.45.

the November level of \$10bn.

In spite of the low December

Recent declines in the dollar worried the equity market which had railled recently as investors anticipated that the Federal Reserve had finished raising interest rates. The Fed could raise interest rates again in an effort to shore up the

The Morgan Stanley index of consumer goods rose modestly to buck the trend of sinking markets as investors moved into stocks which were thought to perform well in a slowing economy.

Among rising consumer shares were Crown Cork & Seal up \$% at \$42%, Merck \$% higher at \$41%, Gillette up \$% at \$77% and Schering-Plough \$% firmer at \$77%. Motorola lost more than 10

Der cent of its value after the iconductor and communi cations company said it had built up an excess inventory during the fourth quarter. The shares lost \$6% at \$58. Other technology shares also lost ground, with Texas Instruments down \$1% at \$78%, Com-paq Computer off \$% at \$87 and Digital Equipment \$% lower at

Williams-Sonoma lost \$3% at \$21 after the securities house.

quarter estimate of earnings for the specialty retailer.

Toronto stocks were slightly higher at midday, boosted by gold stocks and the expiry of futures and options. The TSR-300 index was up 5.23 at 4,104.96 in volume of 24.5m shares valued at C\$282.25m, advances leading

However, dealers said that the market was likely to slow down during afternoon trading in anticipation of the long weekend holiday in the US. The gold sub-index was up 1.6 per cent at 8,811.80 following a rise in the bullion price

eclines by 294 to 269 with 300

issues unchanged

in London Barrick Gold was up C\$% at C\$30% and Placer Dome rose C\$% at C\$28.

Other active issues included PWA, which jumped C\$0.01 to

C\$0.39 on a block trade of Im shares, while Newbridge Net-works shed 2 cents to C\$56%.

Latin America

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Sentiment was mixed in the Mexican stocks ran into speculation and profit-taking in mid-morning, and early strength was replaced by a fall of 45.19, or 2.5 per cent to 1,786.31 in the IPC index. In contrast, Argentine's blue chips extended an early rebound, after days of weakness, with the Merval index up 19.16, or 5.8 per cent to 351.34 at midsession. The gas distributor Transportadora Gas del Sur surged 13.8 per cent after announcing a dividend of 0.18

earnines. Brazil's Bovespa index was

up 805, or 2.8 per cent to 29,443 on a technical rebound by mid-

creating further selling pres-sure. The SMI index gave up

20.0 to 2,601.0, 1.3 per cent

MADRID saw ripples in cur-

rencies and bonds on the arrest

of Mr Rafael Vera, after the former senior official was ques-

tioned about a dirty war

against armed Basque separat-

ists. But equities were more

concerned with the weakness

of the dollar as the general index lost 1.06 at 284.24, down

Written and edited by William

Cochrane, John Pitt and Michael

Johannesburg was weeker in

slow trade as bullion's inabil-

ity to post significant gains and lower South African Janu-

ary gold production hampered

related stocks. The overall

index was 29.2 softer at

5,116.9, industrials lost 15.7 to

6,295.2 and golds dipped 20.0

to 1,588.0, for a 8.9 per cent

R3.50 to R184.50 and De Beers

1.8 per cent on the week.

SOUTH AFRICA

lower on the week.

pesos per share and stronger

Bond yields take shine off Australian equities

Investors also await the budget, writes Nikki Tait

expressed some frustration that the Australian stockmarket was taking an almost slavish lead from Wall Street. Today, champagne corks would pop if such a coupling could be re-established. The market hit an all-time peak on February 3 last year, when the All Ordinaries Index reached 2,340.60, surpassing by a small margin the headies levels seen during the 1980s boom. Share prices then turned down as US interest rates started to rise, and for several months the market declined in

This, complained some local investors, was unfair. After all, the economy had only just edged out of recession, and there was no sign of incipient inflation or any pressing need for local interest rates to rise.

Over the past six months, sentiment has changed dramatically. The market has decoupled from its usual US mentor and continued on a slide. The All Ordinaries Index closed yesterday at 1,856.2, some 21 per cent below the levels of last February.

line with Wall Street.

There are a number of expla nations for this turnabout. The first, and arguably the most significant, is the effect on domestic investors of a high yielding local bond market: the return on 10-year bonds at present stands at about 10.2 per cent, that is over 2.5 percentage points higher than on comparable securities in the

demand, while export performance remained flat. Imports then rose as business investment recovered, and the balance of payments situation deteriorated sharply. The federal government is now forecasting a current account deficit in the 1994/5 financial year of A\$25bn (£12.29bn) - A\$8bn more than it forecast in last May's budget.

To date, there has been no evidence of a serious inflation threat. There are also some signs domestic demand may have been checked by the three interest rate rises last year. But while ministers say the situation is under control, financial markets still worry that Australia, prone to high

As analysts at Bankers Trust point out, annual inflation is running at about 2.5 per cent, so some attractive real returns are there for the taking. "For many investors, the bond market has been offering better risk-adjusted returns than the underlying these yields, of course, is considerable scepticism over the sustainability of Australia's current economic performance. In the latter half of 1994, growth in gross domestic product accelerated sharply, reaching 7.8 per cent

the September quarter.
The problem was that this

derived from surging domestic

inflation rates in the past, may be headed for another "boom and bust" cycle.

The second reason for the stock market's recent doldrums is the growing conviction that commodity prices, and base metal prices in particular, may have peaked. The mining sector accounts for only 5 per cent of Australia's gross domestic product, but resource stocks still make up about one-third of the All Ordinaries Index.

These are where the biggest price falls have occured in recent weeks. During January, for example, mining stocks fell by 9.5 per cent overall, while industrials were just 2.4 per cent lower. Gold shares were Thirdly, and partly related to

have reached its zenith. It powered ahead for much of last year but has come back noticeably in the past three weeks. This is a significant deterrent to foreign investors, who play a fairly important role in driving the market.

One dealer at BZW's Sydney office summarises the situation "momentum" investors looking for a short-term run on the back of commodity price movements and the like have largely departed, he says. Over-seas "value" investors are deterred by the currency factor. Meanwhile, the locals, bruised by the fall in their equity portfolios last year, are inclined to be defensive in the

face of generous bond yields. It is true that the market's months means that price-earnings multiples have fallen fairly significantly - and, at some point, value begins to emerge. The multiple on the All Ordinaries Index, for example, has been cut from almost 23 times earnings in January 1994, to less than 15 times one year later. Nevertheless, many analysts think the political and economic uncertainties surrounding the federal budget will mean that investors will stay on the sidelines for sev-

The budget, due to be delivered on May 9, promises to be a significant event. In an effort to dispel fears of a runaway economy, the Labor government has already pledged to accelerate its deficit reduction strategy and move to a surplus by 1996/7, two years' earlier than previously expected. Leaked documents have detailed plans for draconian spending cuts. Most private sector econo

mists, while welcoming the general objective, are still waiting to see how the figures pan out; and even if the sums look plausible, there is a question mark over the extent of the political fight which may be necessary to achieve them. this is not the best time to take this, there is the suggestion risks.

More excitement in Italian banking sector

other currencies again affected most bourses, writes Our Markets Staff. However, Italy responded to events in the

MILAN finished higher, in spite of further falls in the lira, as the restructuring of the banking sector continued. The Comit index fell 2.15 to

655.90, down 3.7 per cent on the

week but the real-time Mibtel index finished 31 ahead at 10,507, but off a high of 10,561. Banca di Roma lost L140 or 8 per cent to L1,620 on taking control of Banca Nazionale dell'Agricoltura, through acquiring a majority stake in Bonifiche Siele, the parent company. Analysts said investors were worried that Roma

would need to raise capital to finance the operation. Bonifiche shot up L5,711 or 20 per cent to L84.200 after Roma confirmed it planned to launch a public offer for the remainder of the Bonifiche stock. BNA lost L568 or 16.8 per cent to L2,750 on disappointment that it would not be included in the public offer.

Roma's move had probably saved the smaller BNA from

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collapse. However, a major rationalisation of the two groups would now be needed, including a recapitalisation for BNA. Mr John Stewart at InterEuropa in Milan questioned the benefits for Roma, describing the deal as "the takeover by a large, inefficient bank of a medium sized, very inefficient bank".

The excitement spread over Ambroveneto, 1.208 higher at L5,565, and Populare di Milano, L178 ahead at L8,770; both have been subject to speculation in this context. FRANKFURT managed to

withstand the weakness of the dollar, the Dax index rising 1.81 to 2,117.08 on the session and 7.28 to an Ibis-indicated fraction lower on the week. Turnover fell from DM9.2bn held to threaten exporters' margins but this, said Mr Karl Debenham at Williams de Broë, was a simplistic view, given that German chemical

companies exported more from

the US than to it. Within the big three, Hoechst again lost its customary premium to BASF, falling DM4.50 to DM325.50 as the latter rose DM1.40 to DM327.40. The price that Hoechst might be prepared to pay for 51 per cent of Marion Merrell Dow, in order to gain critical mass in the US pharmaceutical market, continued to worry investors.

PARIS felt the effects of a weak franc as the CAC-40 index fell 12.53 to 1,822.47,

week. Turnover was FFrs.Sbn. Credit Local, one of the few

2.9 per cent to FFr408.80 as options and futures expiry investors continued to take positions following its 1994 results earlier in the week. Thomson-CSF declined

FFr4.10 to FFr130 on fears that it would suffer a sharp 1994 loss because of its stake in Credit Lyonnais, and Eurotunnel slipped 35 centimes to FFr24.50 after a UK court ruled that it could not sell duty free goods on its train services. AMSTERDAM recovered

from session lows, the the AEX index closing 0.86 higher at 410.95, down 1.1 per cent on the week, after a low of 408.63. Philips, up Fl 1.10 to Fl 56.50, lent support to the market as

investors grew confident about next week's full year results which are widely expected to be very encouraging. Polygram, which also reports next week, lost 40 cents to F188.60. Fokker, down 30 cents at Fl 11.50, announced that it was postponing a statement on cost cutting measures, which had been due next week, to February 27. KPN, which becomes an AEX constituent on Monday in

to F1 58.20. ZURICH was depressed by 140 cents to R82.35.

ASIA PACIFIC Nikkei ends higher after early weakness

Tokyo

The Nikkei index closed higher for the first time in four trading days, but this was after volatile trade which saw a new intraday low for 1995, writes Emiko Terazono in Tokyo. The 225 average rose 239.98 to 18,020.51, 1.5 per cent down on the week, after a low of 17,617,81 and a high of

18,200.60. Poreign investors continued to liquidate posi-tions in electronics while indi-viduals took profits on construction stocks bought on margin, depressing share prices in early trading. But a rise in futures triggered arbitrage buying later. Volume rose to 400m shares

from 277m, above 300m for the first time in five trading days.
The Topix index of all first section stocks rose 16.44 to 1,400.61 and the Nikkei 800 by 3.38 to 257.09. Gainers overwhelmed losers by 711 to 285, with 159 unchanged. In London, the ISE/Nikkei 50

index rose 3.16 at 1141.25. Some analysts saw ahort term potential for a sudden composite index closed 13.27 or jump in share prices. "The 1.4 per cent to 910.22, for a 4.7

NATIONAL AND REGIONAL MARKETS

Austria (16)

FT-ACTUARIES WORLD INDICES

market is giving technical signs of being oversold, and there is more upside than downside risk," said Mr Alan Livsey at Kleinwort Benson. High-technology stocks were supported by domestic institutional buying in spite of selling by overseas investors. Matsus-hita Electric Industrial rose

Y20 to Y4,400. Nippon Telegraph and Tele-phone, which on Thursday had slipped below the Y700,000 level for the first time since December 1993, recovered Y31,000 to Y726,000.

Y20 to Y1,320 and Sony added

in Osaka, the OSE average rose 189.18 to 19,659.28 in volume of 70.3m shares. Rohm, the semiconductor device maker, rebounded Y130 to

Pound Sterling Index

163.98 162.20 105.98 118.48 245.54 178.22 155.56 139.73

Regional markets moved in opposite directions.

SEOUL extended its losses to a fourth consecutive session after an early technical rebound failed to trigger fol-low-through buying and the

per cent fall over the week. Reports, subsequently denied, that the tax office had begun investigations into Sunkyong group companies, dampened the mood. Yukong went limit down, falling Won1,800 to Won32,400, and Sunkyong lost Won700 to Won16,000.

HONG KONG saw further profit-taking which left the Hang Seng index 90.83 or 1.1 per cent lower at 8.043.01 for a 0.4 per cent rise on the week. Turnover fell to HK\$2.5bm from Thursday's heavy HK\$6.2bn.

KUALA LUMPUR picked up from early lows as retail inves-tors were cheered by hopes of an early general election in Malaysia, and foreign funds returned as buyers. The com-posite index finished 5.25 higher at 995.24 for a 1.5 per cent rise on the week.

MANUA recovered from an

intraday low of 2,591 to close down 23.22 at 2,609.76, 0.6 per cent lower on the week, on foreign selling and investor anxiety over the weakening peso as well as fresh worries over the Sprattly islands, partly occu-pied by China and claimed by the Philippines.

Gross Div. Yield

SINGAPORE finished firm, although sentiment was bruised by a falling US dollar and funds were sidelined by renewed fears over Mexico's financial crisis. The Straits Times industrials index closed 4.06 up at a day's high of 2,187.18, for a 3 per cent rise on the week and the UOB OTC index added 9.25 to 1,180.71 reflecting continued strong reflecting continued strong demand for Malaysian shares traded over the counter.

WELLINGTON peaked at a new high for the NZSE 40 index after a string of positive first half results, and ended 8.52 higher at 1,996.73, 2 dper cent higher on the week. Turnover was strong for the second day in a row, totalling NZ\$58m. SHANGHAI's hard currency B shares were lower on uncertainty about the Sino-US trade talks, and the index fell 0.887 or 1.5 per cent to 56.726 for a 0.8 per cent rise on the week. COLOMBO's all share index dropped just 5.49 to 838.80 on the day, but it was 4.5 per cent down on the week and 12.6 per cent lower since the beginning

of this month. Analysts said it was trading on a current p/e of 14.

Ordinary Share hourly changes Open 8.00 10.00 11.00 12.00 18.00 14.00 15.00 16.00 High Low 2325.1 2316.8 2321.7 2316.0 2319.2 2320.9 2319.1 2317.1 2314.0 2325.4 2313.8

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EQUITIES RISES AND FALLS British Funde 191 22 473 773 243 570 104 563 783 222 Other Flood Interest Mineral Extraction General Manufacture Consumer Goods Services Utilities 358 819 1,749 2,188 3,924 TRADITIONAL OPTIONS LONDON RECENT ISSUES: RQUITIES 17.1 13\(^1\) 13 Bath Prese 28.2 65 48\(^1\) Lazard Brie Incis 3.07 32\(^1\) 29 Do Wernants 22.1 36 34 MCT 3 Cap 23.4 35 36 MCT 5 inc 40.5 94 50 Matheson Lloyds 16.1 158 150 Photobition 4.50 11\(^1\) 128 188 Woodchester Uniter RIGHTS OFFERS 17pm 3pm 65pm 13pm ¹spm FINANCIAL TIMES EQUITY INDICES Feb 17 Feb 16 Feb 15 Feb 14 Feb 13 Yr ago 1990 Ordinary Share 2315.0 2322.8 2334.1 2334.7 2344.4 2608.9 2713.8 2238.3 Ord. city. yield 4.55 4.56 4.53 4.50 4.48 3.53 4.68 3.43 Eiern. yid. % full 5.92 6.76 6.76 6.66 6.63 3.89 6.94 3.62 P/E ratio net 17.10 17.40 17.48 17.82 17.82 33.04 33.03 38.91 16.91 P/E ratio nil 16.29 18.57 18.65 16.94 17.01 30.46 30.90 18.37

FT/LES ECHOS

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| Dollar | Starfing | Hardest | High | Low 125.11 143.99 130.15 135.10 136.51 136.51 135.10 136.51 135.10 136.51 135.10 136.51 13 4.01 1.20 1.52 2.72 1.50 3.20 3.84 3.87 1.64 0.87 1.79 3.36 4.77 1.81 1.81 1.81 1.81 2.85 4.25 4.26 4.26 139.73 310.27 201.80 74.70 133.77 485.27 851.69 210.58 68.99 200.96 332.20 284.15 Italy (58)
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New Zestand (14) Singapore (44).... South Africa (59) Sweden (46) Switzerland (47)... 181.80 172.40 173.09 142.57 182.50 - 172.36 183.43 107.21 185.16 151.90 178.01 1255.02 1255.02 223.43 148.56 184.77 217.76 225.72 165.70 142.90 98.74 118.19 97.99 178.96 159.63 151.27 98.29 125.18 118.50 175.14 184.00 120.70 152.17 183.76 184.20 184.00 120.70 152.17 183.76 184.20 185.89 185.69 182.41 131.65 158.12 233.58 221.49 145.29 183.17 206.55 273.84 195.89 161.62 99.46 125.38 121.32 178.65 189.20 180.45 105.25 132.89 140.44 178.59 188.84 178.88 117.84 147.98 178.84 192.00 140.96 152.58 133.81 150.27 118.97 97.38 123.83 117.72 150.57 193.93 120.94 130.39 182.33 200.02 121.94 130.38 0.0 -0.9 -0.5 -0.5 -0.7 -0.1 -1.0 -0.7 -0.8 -0.4 -0.3 2.80 3.11 1.45 1.25 2.09 2.82 2.48 3.22 2.11 2.17 2.95 USA (513) 160.59 173.37 197.70 145.93 154.73171.51 0.0 161.54 105.75 192.98 143.79 -0.4 171.47 162.60 108.66 134.46 144.42 180.80 165.92 175.10 Copyright, The Financial Times Limbad, Goldstein, Sechs and Co. and NatiVist Securities Limited. 1967 Lakes prices were prescribely for this action.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be rocuced without permission.

Details relate to those securities not included in the FT Share information

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Tallaman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest

ceanings.
For those securities in which no business was recorded in Thursday's
Official List the latest recorded business in the four previous days is given Rule 4.2(a) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

Hatifax Building Society 10³g% Nts 1997(8:7:1000.10000) - £103³s (16Fe96) Hatifax Building Society 11% Subord Bds 2014(8:7:2100008100000) - £110³g (15Fe96)

Heilbar Building Society Colleged Filip Rite Nibs 2003 (8t °C Ver) - 28442 (107485) Henson PLC 92-15 Cris Subord 2006 (8t "Sve) - 2(33)2 (187486) Henson PLC 101-376 (8de 1997 (8t °C Ver) -2(33) (187485)

(107-69)
Hydro-Cuebes 8-50% Debe Seas K
1696/169 2 Vanil - Dob/f (157-69)
Hydro-Cuebes 5-5% Debe Seas KY 6/6/9
Sijfa-Cloubes 5-5% Debe Seas GY 6/6/9
Sijfa-Cloubes 12-5% Debe Seas HY 17/4/
2001 (87 Vanil - 21/07/157-60)
Hydro-Cuebes 11-26% Debe Seas HY 17/4/
2001 (87 Vanil - 21/07/157-60)
Hydro-Cuebes 12-5% Debe Seas HY 17/4/
2001 (87 Vanil - 21/07/157-60)
Hydro-Cuebes 12-5% Debe Seas HY 17/4/
2011 (87-1700008100000 - 21/20)
Hydro-Cuebes 12-6% Debe Seas HY 17/4/
Hydro-Cuebes 12-6% Hydro-Seas HY 17/4/
Hydro-Cuebes 12-6% Hydro-Seas HYDro-Seas 12-6% Hydro-Seas 12-6

importal Chemical Industries PLC 111.4% Bid: 1995(Br25000) - 21015 (15Fe85) Inter-American Development Bank: 117.9% Bid: 1995(Br25000) - 21005, (15Fe85) International Bank for Rec & Dev 95% Bide: 2007 (Br25000) - 210116 (15Fe85) International Bank for Rec & Dev 10% Bid: 1990(Br25000) - 210316 (15Fe85) International Bank for Rec & Dev 107.9% Nts. 1990 (Br250000) - 210316, (15Fe85) International Bank for Rec & Dev 107.9% Nts. 1990 (Br250000) - 210316, (15Fe85)

1999 (Br25000) - £104³s (15Fe95) ternetional Bank for Rec & Dev 11¹s% Nts

2001(8:1000810000) - 2109 (15;685) terrational Bank for Rec & Dev 11*,96 No. 1995(8:21000) - 2100(1;15;685) terrational Bank for Rec & Dev 11*,96 No. 1995(8:21000810000) - 2102*; [15Fe85] higher blood 1006*; 874 2014

1895(872)100081(0000) - \$10234 (157-685) 1895(872)100081(0000) - \$10234 (157-685) 1ally(Republic of) 1012/% 8ds 2014 (872)10000800000) - \$1043[1167-685] Japan Development Bank 87,9% Gat Bds 1999 (8-8 Var) - \$208.8 98.8 98.65 Jacon Development Bank 7% Gld Bds 2000 (87 2 Var) - \$232.2 (157-685) Japan Fin Corp for Municipal Ent. 81,9% Gld Bds 2004(872)1000 & 10000) - \$2234 (155-686)

pen Fin Corp for Municipal Ent. 7½ % Ged Bds 2004/B:\$5000.1000007 - 596.4

Kansai Bectric Power Co Inc 74% Nts 1998

(Br 12 Var) - 125 (137495) Kyustu Bechic Power Co Inc 8% Nts 1897 (Br 12 Var) - 1284,9 Lachroise Group Finance/Jersey)Ld 9% Cry Cap Bds 2005 (84500004100000) - 1261₂ (137655) Land Securities PLC 91₂% Bds 3007(19-140041)0003, 2087, (155-45)

113-55) eeds Parmanent Building Society 11¹2% Nts 1986 (Sr 25000&100000) - 2103 (15Fe65) eeds Permanent Building Society Collect PhyliteNts 2003(Reg Mutti21000) - 284¹2

2004(3:210008:10000) - 2104.§ (15)
Lloyds Benk PLC 7-3/6 Subord Bds
2004(3:204ds:Cyterious) - 289-3 (15:695)
Lloyds Benk PLC 95-3/6 Subord Bds 2
£ (var) - 299-3 (15:695)
Lloyds Benk PLC 104/6 Subord Bds
1998(3:210000) - 2102.5 (15:695)

1998(9:7:1000) - 1:102½ (157-95) London Bestricty PLC 8% Bds 2003 (Br 2 Var) - 202½ (157-95) Lucas Industries PLC 444

Var) - 522 (16F-95) Lucus Industries P.C 107, % Bds 2020 (B-210005100000) - 2107, 2 (16F-95) MEPC P.C 97, % Bds 2004(B-21000810 - 2027, 10F-95) MEPC P.C 104, % Bds

National Grid Co PLC 7¹/₂% Bds 1998 (Er 2 Var) - 295[2 (157695) National Power PLC 10²/₂% Bds 2001 (Br £100003 1000007) - £105[2] (157695) National & Provincial Bidg Society 10% Nat 1997 (Br £Var) - £102¹/₄ (157695) National & Provincial Bidg Society 8¹/₄% Nat 1998 (Br £Var) - £102¹/₄ (157695) National & Provincial Bidg Society 10²/₄% Nat 1998 (Br £Var) - £27/₄ (157695) National & Provincial Bidg Society 10²/₄% Subord Bds 2008/11 - £104¹/₄ (157695) National Westminster Bank PLC 11¹/₄% Subord Nat 2001 (Br £Var) - £109²/₄ (157695) National Westminster Bank PLC 11¹/₂% Uncl-

paramona in consol - 2007 (15-605)

PARC Capital Ld 84% Cre Cap Bds 2006 (Sr 25000250000) - 17:23/2

RTZ Carusia inc 74% Gdd 8ds 1980(8755000210000) - 2533/2 (15-605)

Radiand Starling Funding PLC 107/3% Gld Bds 2001 (Sr 2/s) - 7:188/2 (15-605)

Robert Fenning intil Rennos Ld 94% Perp Subord Gdd Nts (87:2 Var) - 222/2 (15-605)

Robert Roming Intil Rennos Ld 94% Perp Subord Gdd Nts (87:48-10)

Robert Span PLC 11-3/3 Nts 1986 (15-605)

Robert Robert PLC 10-3/3 Nts 1986 (15-605)

Robert Gdd Nts (87:48-10)

Robert Gdd Nts (87:48-10)

Robert Gdd Nts (87:48-10)

Robert Gdd Scholard PLC 62-3% Bds 2004(97:48-10)

Robert Gdd Scholard PLC 92-3% Undersor Subord Bds (87:2 Var) - 202/3 (15-605)

Robert Gdd Scholard PLC 107-3% Subord Bds 1986 (97:5000825000) - 2103/2

Robert Barrance Heige PLC 92-3% Subord Bds 1986 (97:5000825000) - 2103/2

Robert Barrance Heige PLC 92-3% Subord Bds Insurance Heige PLC 92-3% Subord

1001 - 21013: (15Fe95

(15Fe95

Bds 2009(Br£1000810000) - £861

(Tibress) Trust PLC 10% Bds 2006 (Br25000) - £101& (15Fe95) arrisons & Crustiek PLC 7¹2% Suub Cnv

British Funds, etc. Treasury 13 4% Six 2000/03 - £1214 12245 Exchaquer 10¹2% Stk 2005 - £11213 Z211313 (10Fe95)

Corporation and County Stocks London County 2½% Cons Six 1920(or after) - 125½ 1.654(City of) 13½% Red Six 2006 - 1126½ (107685) Lincoln Corp 3% Red Six 1919(or after) - 1231 (107685) Manchester(City of) 11.5% Red Stk 2007 - £112 (13Fe95)

UK Public Boards

Metropolitan Water Metropolitan Water 3% A Stk 63/2003 - £59 (13Fe85) Foreign Stocks, Bonds, etc-(coupons payable in London) A.M.P.(U.K.) PLC 13% Bds 2015 (Br 25000&100000) - 2130¾ (15Fe85)

Abbey National Starting Capital PLCB-1,96 Subord Glid Bids 2004(Br2Vara) - 2945 (15Fe85) Abbey National Starting Capital PLC107-16 Subord Glid Bids 2002 (Br £ Var) - £1037 (15Fe95) Abbey National Sterling Capital PLC10¹2% Subord Gid Bds 2023 (Br £ Var) - £102<u>2</u> Subord Get Bios 2023 (8° £° var) - \$102.6 (15Fe95)
Abbey National Sterling Cepited PLC11¹2%
Subord Gid Bids 2077 - \$11554 (16Fe85)
Abbey National Tressury Serva PLC 55/8
Ged Nts 1956 (6° \$Var) - \$988,982 (10Fe85)
Abbey National Tressury Serva PLC 6°% Gid
Nts 1959(6°£1000,10000,100000) - \$89²8
1956-605

(155-695) Abbey National Treasury Servs PLC 8% Gtd. Bde 2003 (Gr.£ Var) - 931 ½ (155-695) African Development Sank 11 ½ % Bds 2001 -C108(2 (15Fe95) gintMult\$10000 - \$86¹2 (15Fe95) Anglan Water PLC 12% Bde 2014 (Br 5100003 100000) - 512²2 (15Fe95) Angli Group PLC 8¹3% Bds 2000(Br2Va 135¹2 (15Fe65) Agds Firen Ld Riv WConSubordReteO008/Pin

ESS-12 (15Fe95)
Asda Finance Ld 10¹/₄% Cnv Cap Bds2005(8: ES000&1000009 - E108 Associated British Ports Hidge PLC 10²/₄% Bds 2015(8r:10000&100000) - E107²/₈ (15Fe95)

secciated British Ports Hidgs PLC 11%% Bds 2011 (Br 210000&100000) - 2116% Australian Industry Dev. Corpn. 10¹/₂% Bds 1999(8:11000810000) - 2104½ (15Fe96) BOC Group PLC 6½% Bds 2004(8:12 Vars) -281½ (15Fe95) 28312 (15Fe95) BP America Inc 9/2% Gtd Nts 1996 (Br £ Var) - £10172 (16Fe95) Var) - 2101 & (16Fe95)
BP Dovelopments Australia Ld 11¹4 % Gtd
Bds 2001 (Br 2 Var) - 2108 & (16Fe95)
Bank of Greace 9¹8 % Bds 2003 (Br 2 Var) 291 & (16Fe95)
Bardeys Bank PLC 6.5% Nts 2004(Br2Various) - £83.4 4

Bank PLC 9% Perm Int Beartap6ds(RegintMuRE(1) - 9384,0) ys Bank PLC 8.875% Undated Subcro Nts - 1981₂ (15Fe85) Barcleys Bank PLC 10¹4 % Sen Sub Bds 997(Br£1000&1000) - £103 (15Fe95) Hays Bank PLC 124% Senior Subord da 1997(Br£Var) - £108% (15Fe95) Bds 1997(Br2Var) - 21085, (18Fe85) Barings PLC 94% Perp Subord Nts (Br2Various) - 284¢ Bradford & Bineles

s) - 1340 Bird & Bingley Building SocietyCollared gifteNts 2003(Reg MultiE1000) - 133 ol & West Building Society 104, 16 stord Bds 2018 (Br £ Var) - £102,4 (Taresta) Histol & West Building Society 107/9% Subord Bds 2000(Br£10000&100000 £104.55

Hish Aerospace PLC 103/16 Bds 2014 (8:0100008100000) - 1104 N555003 Shitish Aerospace PLC 103/16 Bds 2014 (85-1000810000) - 1104 (167-65) Bhish Aerospace PLC 113/16 Bds 2008 (87 2100810000 - 2113-1/2 (157-65) Bhish Ahways PLC 93/2 Mbs 1997(8-2100810000) - 21001/2 (157-65) Bhish Ahways PLC 107/16 Bds 1998(8-2100810000) - 2102-1/2 (157-65) Bhish Akways PLC 107/16 Bds 2008(8-2100810000) - 2108-1/2 (157-65) Bhish Gas PLC 77/16 Mbs 1997 (Br E Var) -297/2 (157-65) 297¹2 (15Fe95) ridsh Ges PLC 7⁵2% Bds 2000 (Br & Var) -

127 - 2 (1-12) (Mish Gas PLU 1-8.

204(B):21000,10000,10000000 - ...
(15F885)

British Land Co PLC 8.875% Bds 2023 (Br £ 1987)

10874 (15F885)

10874 (15F885)

Var) - 288% (15Fe85) British Land Co PLC 12¹2% Bds 2016 (35°C100008100000) - 5121% (15Fe85) British Telecommunications PLC Zero Con Bds 2000(Er5000810000) - 265¹2 (10Fe85) British Telecommunications PLC 7¹2% Bds 2003 (Br £ Var) - £28.95 cations PLC 1214% Bds 2006 - £1213 - £15Fe65 2006 - \$1212 (197665) Lumah Castrol Capital(Jersey) Ld 9¹2% Crw Cap 8ds 2006 (Reg £1000) - \$140 \(\frac{1}{2} \) Lumah Castrol Capital(Jersey) Ld 9¹2% Crw Cap 8ds 2006(8r\$5000850000) - \$137

Cop Bds 2006(Br:S0008-S0000) - £137 (107-695)
Cable & Wireless Int Finance BV 10³ % Gtd Bds 2002 (Br £100006-100000) - £104³, (107-695)
Commercial Union PLC 10³ % Gtd Bds 2002 (Br £ Var) - £105³ £ (157-695)
Denremati(Gregorium of) 0³ % Nat 1996 (Br £ Var) - £33³ £ (157-695)
Dents Finance NV. 71³ % Gtd Bds 2003 (Br £ Var) - £36³ £ (157-695)
East McGlands Bectricky PLC 12% Bds 2016 (Br £10000 & 100000) - £124³ £ (157-695)
Easter Bectricky PLC 8³ % Bds 2004(Br£ Var) - £34.7
Elsportitums AS 7³ % Nat 1998 (Br £ Var) - £34.3 (147-69)
Ef Enterprise Finance PLC 8³ % Gtd Exch Bds 2006 (Pag £50007) - £36 % Gtd Exch Bds 2008(Br£ £50007) - £36 % (Btd Exch Bds 2008(Br£ £50007) - £36 %

Elements Finance PLC 34, % Get Dech Bels 2008(3-CS0008-100000) - 0383, (107-693) Enterprise OR PLC 103-76 Nts 1996 (Br DS0008-100000) - 0383, (107-693) Enterprise OR PLC 103-76 Nts 1997 (Br DS0008-100000) - 0103-76 Nts 1997 (Br Var) - 1002 (157-693) Financificapublic of 103-76 Nts 1997 (Br Var) - 1002 (157-693) Financificapublic of 103-76 Nts 1997 (Br Var) - 1003-76 (107-693) Financificapublic of 103-76 Nts 1998 - 1003-76 (103-76)

Bots 1996 (proco00025000) - Crusty (15Fe65)
Royel Insurance Hidge PLC 93-1% Subord Bids 2000 (Fr E Var) - 1977
Saintsbury(8) PLC 121-1% Nits 1985(6):10004.10000) - Croudy (15Fe95)
Saintsbury (J.)(Channel Intends)(J.)
Saints PLC 121-1% Bids 1989(3):
Cro00.100004 - Cro00.100004 - Cro00.100004
Sevent Trent PLC 111-1% Bids 1999 (Br C5000.100000) - Cro00.1000004 (T6Fe95)
Sevent Trent PLC 111-1% Bids 2001 (Sr C5000.100000) - Cro00.1000004 (T6Fe95)
Skendie Copital AB 11% Ghd Nts.
1989(BrC10008.100000) - Cro02-1/16Fe95) FT-SE ACTUARIES INDICES

The FT-SE 100, FT-SE Mild 250 and FT-SE Actuaries 350 indices and the The FT-SE 100, FT-SE Mid 230 and FT-SE Actuaries 350 increas and the FT-SE Actuaries industry Beskets are calculated by The International Stock Exchange of the United Kingdom and Republic of Ireland Limited. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1994. All rights reserved.

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London Stock Exchange and The Financial Times Limited.

Stough Estates PLC 10% Sch 2007(B421000x10000) - 139-å (157-665) Stough Estates PLC 11½ % Bds 2012 (Br 2 Var) - 1111 (157-665) Smithfeine Becomen Cepital PLC 8½ % Gtal Not 1968 (Br 2 Var) - 239-å, (157-665) Southern Bechric PLC 10½ % Bds 2002 (Br £Var) - £103(2) (167-665) Sudvestrictaschel undbark Capitalise PLC 6.25% Gdd Bds 2003 (Br DM Var) -DM(9.1 81.35) Swedenfüngdom oft 84% Bds

901 (19.35) 901 (19.35) 901 (19.35) 903 (19.35) 903 (19.35) 904 - 2000 (19.35) 904 - 2000 (19.35) 904 (19.35) 905 Tarmac Prismos (Jessy) Ld 9/2% Cnv Cap Bdn 2008 (Pag C1000) - 298 (14Fe85) Tata & Srt Priance PLC 8% Ged Bds 1999(Br2100006100000) - 206/j. (16Fe05 808), yo huffin PLC/Tabali, yo PLC 53, % TallifriGalida 2011/82 236.95 (107-68) Tesco PLC 105-89 Eds 2002 (Br EVer) -210-5-1 (157-66) Tesco Capital Ld 99. Com C

\$104\(^1\) (15Fe\)\(\text{6}\)\(\text{6}\)\(\text{1}\) (15Fe\)\(\text{6}\)\(\text{6}\)\(\text{7}\)\(\text{6}\)\(\text{7}\)\(\text{6}\)\(\text{7}\)\(\text{6}\)\(\text{7}\)\(\text{6}\)\(\text{7}\)\(\text{6}\)\(\text{7}\)\(\text{6}\)\(\text{7}\)\(\text{6}\)\(\text{7}\)\(\text{6}\)\(\text{7}\)\(\text{6}\)\(\text{7}\)\(\text{6}\)\(\t GP E Vw) - 035, (16Fe8) iokyo Bectric Power Co Inc 11% Nis 2001 (Br £1000,10000 8. 100000) - £107, inteliger House PLC 105, % Bels 2008/21000,10000) - 539, (16Fe85) retalger House PLC 105, % Bels 2014 (Br£100008100000) - £102, (16Fe85) retalger Volume PLC 105, % Bels 2014 (Br£100008100000) - £102, (16Fe85)

(8:210008100000] £1023(15:569)
Transury Corporation of Victoria 84,% Ger
Bds 2002 (Br £ Var) - 2265(15:569)
Turng Ho Staet Enterprise Corp 4% Bds
2001 (8:4510000) - \$128
Uniterer PLC 73/% Nts 1996 (Br £ Var) 5252 (15:565) 285-5; (167-665)
Unidad Kingdom 71,5% Bda 2002(87-99m) 386.32 (137-669)
Kitchrier Pibl Althus Fin Agency 91,5% Gtd
Bds 1996(87-87-8) - 2101.8; (157-665)
Washung RG, Group PLC 95; Perp Subort
Nis Physhibid Pig. - 282 7; (157-665)
Welsome PLC 61.4. 65-66. Nts (PepNtaBr2) - 232 (elicome PLC 93,% Bc Wellcome PLC 94,% Eds 2006(Br210004:10001) - 2101(§ (157495) Welsh Wisser PLC 103,% Bids 2002 (Br 550004:10000) - 2105-\$ (157495) Welsh Wisser Uttilise Finance PLC 71-3% Glat Bids 2004 (BrCVsfous) - 226-\$ (157495) Woohleth Bidding Society 1119, Niz 1996(Br2100010000) - 2105(§ (157495) Woohleth Bidding Society 111-4% Subord Niz 2001 - 2106/\$ (157495) Woohleth Bidding Society 101-4% Subord Woohleth Bidding Society 101-4% Subord Woohetch Building Society 115 pt Subord No. 2001 - 21034, (15FeBS) Woohetch Building Society 101-yt Subord Nts 2017 [Br 2 Var) - 2101-yt (15FeBS) Woohetch Building Society 101-yt (15FeBS) Vorishine Electricity Group PLC 64, % 61ds 2020(Br 2 Varishine Electricity Group PLC 64, % 61ds 2020(Br 2 Varishine Electricity Group PLC 64, % 61ds 2020(Br 2 Varishine Electricity Electrici

Land Securities PLC 9¹/₂% Bds 2007(8:°1000810000) - 298½ (15Fe85) Lasmo PLC 7¹/₄% Cny Bds 2005(8:°1000810000) - 295½ (16Fe85) Leeds Permanent Building Society 7¹/₂% Nta 1987(8:°04) - 295½ (15Fe85) Leeds Permanent Building Society 7¹/₂% Nta 1998 (8° 2 Var) - 295½ (15Fe85) Leeds Permanent Building Society 10¹/₂% Subord Bds 1998 (8:°55000) - 5103¹/₈ (15Fe85) Sterling Issues by Overseas Liteda Permanent Building Society 10¹2% Subord Bds 2018 (Br EVer) - \$106% Borrowers

Bank of Greece 10³4% Ln Stk 2010(Flag) -136³4 (13Fe66) Dermarkijfingdom of 13% Ln Stk 2005 -2125/2 (15Fe85) European investment Bank 9% Ln Stk 2001 (Regi - 2101 % (Piegi - 2101 ½

European Investment Berst, 9½ % Ln Stk
2009 - 2105½

European Investment Berst, 9½ % Ln Stk
2004(Reg) - 2108½ %

European Investment Berst, 10½ % Ln Stk
2004(Reg) - 2108½ %

European Investment Berst, 10½ % Ln Stk
2004(Reg) - 2111½ (10% 60)

Firston(Reg) - 2111½ (10% 60)

Firston(Regublic of) 11½ % Ln Stk 2009 (Reg)
- 2117½ (10% 65)

Gibraliar (Government of) 11½ % Ln Stk 2005
(Reg) - 2119½

(Fleg) - £119₁₆ public of 14½% Ln Stk 2016 -2003(8:21:0006:10000) - 21:01-5; (15Fe85)
MEPC PLC 1295 Bds 2006 (Br 210000 &
100000) - 21:14-5; (15Fe85)
Marick S. Spencer Finance PLC 7-3% Gdd Nts
1996 (Br 2 Var) - 29:25; (15Fe85)
Marichaethy Finance Ld 9-3% Gdd Nts 1997
(Br 2 Var) - 21:01-5; (15Fe85)
National Grid Co PLC 7-3% Bds 1998 (Br 2 Var) - 21:01-5; (15Fe85) Portugal(Rep of) 5% Ln Stk 2016(Reg) -298-3 (14Fe95)

Listed Companies(excluding Investment Trusts) AAH PLC 4.2% Cum Pri £1 - 58
ASH Capita Finance, Liensen JL 8 Pa 54 Crw
Cap Bcts 2008 (Reg Units 100p) - 256.47

2 (15F685)
Abardson Trust PLC Was to sub for Ord - 48
(14F685)
Astron Malaysian Carpoth E-malaysian (Areas)
Patna Malaysian Growth Fund(Cayman)Ld
Ord \$0.01 - \$12 (14Fe85)

National Westminster Bank PLC 11½ % Und-SubNts 21000(Chr to Prifileg - 2107 National Westminster Bank PLC 11½% Und-SubNts 21000(Chr to Prifiler - 2107 Nationwide Building Society 8½% Subord Nts 2018 (Br £ Van) - 297 (11½% Nts 1996 (Br £20002100000) - 2100½ (15Fe85) Nationwide Building Society 11¼% Nts 1997 (Br £20002100000) - 2104½ (15Fe85) Nationwide Building Society 11¼% Nts 1997 (Br £20002100000) - 2104½ (15Fe85) Nationwide Building Society 13½% Subord 19 (13Fe95) Allied Domecq PLC ADR (1:1) - \$7.88 Allied Domecq PLC 113,96 Deb Stk 2009 -Albed Domeog PLC 514% Uns Ln Sik -CS5120 Albed Domeog PLC 714% Uns Ln Sik 93/98 -E3474 Alled-Lyons Pinancial Services PLC834% GtdCnvSubord8ds2006 RegMutt21000 -(er 13000 8 10000) - 11044 (15Fe85) Nationate Building Society 13,5% Subord Nts 2000 (8: £10000) - £116²s New Zastand 95,96 Bds 1985(Br.10008,10000) - £100¹s (15Fe85) Napon Telegraph and Telephone Corp10²/9 Bds 2001 (8: £10008,10000) - £107¹s 15Fe85 Allied-Lyone Financial Servicus PLC8-1, %
GtdCm/SubordSdds2008 Regilutit21000 S30-1, 1, 1, 4.4
Allied-Lyone Financial Servicus PLC8-1, % Gtd
Crv Subord Sda 2008(Br 2 Var) - 592/2
(15F-65)
Alvis PLC 5.5% Crv Cum Non-Vig Red Pri
S1 - 72 3 (15F-685)
American Brands Inc Shs of Com Stk \$3.126
- \$37-3
Andrews Sylass Group PLC Crv Pri 50p - 70
(10F-685)
Another Water PLC 51-6% Index-Linked LinStk Bds 2001 (Br 2:1000&1:000) - 2:107% (157-95)
Norsk Hydro AS 9% % Nes 2003 (Br 2:1000&1:0000) - 2:107% (157-95)
Norsk Hydro AS 9% % Nes 2003 (Br 2:1000&1:0000) - 2:107% (157-95)
Norsky (10000) - 2:107% (157-95)
Norsky (10000) - 2:25% Nes 1998(Br SC Vars) - \$035-2 95% (107-95)
Norsky (10000) - 3:19.5% (157-95)
Pacific Beatric Wire&Cable Co Ld 3% 8 dis 2007 (Br50000) - 2:19.5% (Br Sc Var) - 3:04% 8 dis 2007 (Br50000) - 2:10512 (157-95)
Pearson PLC 1012% 8 dis 2005 (Br Sc Vars) - 2:95% (157-95)
Pearson Starling Two PLC 9.5% (Brt Sch Sc Vars) - 2:95% (157-95)
Pearson Starling Two PLC 9.5% (Brt Sch Sc Vars) - 2:95% (157-95)
Pearson PLC 40% 8 dis 2003 (Br Sc Vars) - 2:95% (157-95)
Pearson Black Motor Co PLC 7% % (Brt Nis 1957 (Br Sc Vars) - 2:95% (157-95)
Pearson Starling Two Pl % (Brt Bets 2005 (Br Sc 2000&100000) - 2:95% (157-95)
BMC Capital Ld 8% Core Cap Buts 2006 (Br Sc 2000&100000) - 2:23% (157-95)
BMC Capital Ld 8% Core Cap Buts 2006 (Br Sc 2000&100000) - 2:23%

Anchews Sylans Group P.LC Cav Prf 50p - 70 (10Fe92)
Anglian Water PLC 51g/k Index-Linked LinStk 2006(2-94096) - 112212
Anglo American Inv Tet Ld 6% Curn Prf R2 - 11 (157-95)
Asproy PLC 8.25% Curn Ind Prf S1 - 74 Ja Austin Reed Group PLC 6% Curn Prf S1 - 78 (147-95)
Automated Security(#15ga) PLC 5% Crv Curn Red Prf S1 - 441, 52
Automated Security(#15ga) PLC 6% Crv Curn Red Prf S1 - 441, 52
Automated Security(#15ga) PLC 6% Crv Curn Red Prf S1 - 342, 6 18, 2 9 8
B.A.T Industries PLC ADR (2-1) - \$140
BET PLC ADR (4-1) - 82-726
BCC Group PLC ADR (1-1) - \$11.65
BCC Group PLC ADR (1-1) - \$11.65
BCC Group PLC ADR (1-1) - \$11.65 (15Fe85) BOC Group PLC 2.8% Cum 2nd Prf \$1 - 42 (15Fe85) BOC Group PLC 3.5% Cum 2nd Pri E1 - 50 1 (15Fe85) BOC Group PLC 12¹4% Uns Ln Stk 2012/17 - £125.7 BTP PLC 7.50(Net) Cnv Cum Red Prf 10p -

BTP PLC 7-5p(Net) Criv Cum Rad Pri 10p 185
BTR PLC ADR (4:1) - \$20.05
Balley(CH) PLC "8" Ord 10p - 26 (14Fe85)
Banner Homes Group PLC Ord 10p - 103
Barclays PLC ADR (4:1) - \$38.86
Barclays Bark PLC 12% Una Cap Ln Stic
2010 - \$117½ 8½
Barclan Group PLC 7-25p (Net) Criv Rad Pri
25p - 80 (14Fe85)
Bardon Group PLC 11.25p Cum Rad Pri
2005 10p - 93 ½
Bartings PLC 5% Cum 1at Pri \$1 - 87
10fe85)
Bardon Group PLC 11.25p Cum Rad Pri
2005 10p - 93 ½
Cum 1at Pri \$1 - 87
10fe85)
Bartings PLC 5% Cum 1at Pri \$1 - 87
25p 10fe85)
Bartings PLC 5% Cum 1at Pri \$1 - 87
25p 10fe85)
Bartings PLC 5% Cum 1at Pri \$1 - 87 (10Fe85) Barings PLC 8% Cunt 2nd Prf £1 - 98 Barings PLC 8%% Non-Cum Prf £1 - 117¹2 Samato Exploration Ld Ord R0.01 - 150 (10Fe85) Berr & Waltace Amoid Trust PLC Ord 25p -219 20 (13Fe85) Bass PLC 10³9% Deb Sik 2016 - 2111³g 115-129 Det Six 2016 - 1111-1 (15-29) Bass PLC 4-2% Uns Ln Six 92/97 - 938 (15-29) Bass PLC 7-1% Uns Ln Six 92/97 - 935 (15-25) (15Fe95) Bass Investments PLC 7³g% Une Ln Stk 92/ 97 - 295 (15Fe95) 97 - 025 (15Fe85) Bergesen d-y AS "B" Non Vig She NG2.5 -NG143½ ½ 4 4 .08 .35 .81 Birmingham Midshires Building Soc 9½% Parm Int Boering She 1000 - 228% 9 ½ Blue Circle Industries PLC ADR (1:1) - \$4.2 (15Fe85)

(15Fe85) Bus Chris Industries PLC 51/296 2nd Deb St. 1984/2009 - C712/(19Fe85) Bootherny & Sons PLC Curn Pr (5.25%) £1 - 72 (10Fe85) Booth Co PLC AUT (£1) - \$15.35 (14Fe85) Booth Co PLC AUT (£1) - \$15.35 (14Fe85) Bradford & Bingley Building Sociaty117/296 Perm Int Bearing Shs £10000 - £112 1/4 (15Fe85) 1157-95)
Bradford & Bingley Building Society 13%
Perm int Bearing Sha \$10000 - \$126
Bradford Preparty Trust PLC 10¹2% Cum Pri S1 - 122 (167-95)
Brant International PLC 9% Cum Red Pri £1 - 86¹2 (147-86)
Brant Welter Group PLC Was to Sub for Ord Print Welfar Group PLC 8.5% 3rd Non-Cum Criv Red 2007/10 Ct - 0% Bright Water PLC 8%% Cum Int Pri 21 -Bristol Water PLC 81/4 Curn Ind Pri 51 -110 12 1; 1 Bristol Water PLC 4/4 Core: Deb Six Ind -640/2 (147-69) Bristol Water Hidge PLC Ord 51 - 210.6 Stratol Water Hidge PLC 0.75% Curn Criv Red Pri 1998 She 21 - 210

Bristol & West Building Society 13¹/₂% Perm int Bearing She £1000 - £126¹/₂ 7 ¹/₄ Britannia Building Society 13% Perm int Bearing She £1000 - £123¹/₂ ¹/₄ 4 Mish Petrolaum Co PLC 8% (LUM 196 PH = - 86 (13Fe85) Mish Petrolaum Co PLC 9% Cum 2nd Pri um Co PLC 8% Cum 1st Pri El

C1 - 94 (16FeB5) British Steel PLC ADR (10:1) - \$24.05 \$.23 Tritish Steel PLC 11¹2% Deb Sit 2016 - 2120¹3 (15Fe65)

Briston Eestie PLC 10⁵2% 1st Mit Deb Sit 2012 - 2111¹2 (15Fe85)

British Steel PLC 11.75% 1st Mit Deb Sit 2018 - 2111³2 (15Fe85)

British Estie PLC 11.75% 1st Mit Deb Sit 2018 - 2121³4

Broadstaner Hidge PLC 4.2% (Finly 8%)

Cum Prf 11 - 35 (13Fe85)

Brunel Holdings PLC 4.8p (Net) Cov Cum

Red Prf 20p - 85

Submet(PLP) Hidge PLC 8¹3% 2nd Cum Prf

Red Pri 20p - 68
Butner() LP, Hdgs PLC 81, 1/2 2nd Cum Pri 21 - 106 7 (15Fel6)
Butner(-LP, Hdgs PLC 91/2 6 Cum Pri 21 -120 3 (15Fel6)
Butner(-LP, The Com Pri 21 -120 3 (15Fel6)
Butner(-C 7% Chr Una Ln Str. 95/67 - 256 Butner(-C 7% Chr Una Ln Str. 95/67 - 256 Butner(-C 7% Chr Una Ln Str. 95/67 - 256 /Milen George . __ - 83 (15Fe98) urnen Castrol PLC 7¹4% Cum Red Prf 21 -72 urmsh Castrol PLC 6% Cum Pri £1 - 79 (13Fe65) (135-685) Burton Group PLC 8% Cnv Uns Ln Stit 1986/ 2001 - 298 ½ 7 Butte Mining PLC 10% (Nat) Cnv Curn Red Pri 1984 10p - 2½ § (135-685) CRH PLC 7% "A" Curn Pri 1/21 - 120.64 Caffyra PLC 5¹2% Cum 1st Prf E1 - 73

Cathyria Pub organ seem for the control (10Fe85)
California Energy Co Inc. Sha of Corn 886
SD.0875 - \$16.979432 .88 7.02 .1
Cambridge Water Co Corn Crd 88: - 27700
8000 (14Fe85)
Carlton Communications P.C. ADR (21) - \$28 Cernon Construence and PLC 7(2%) Core
Certon Construence State PLC 7(2%) Core
Subord Bids 2007(Fig \$5000) - 2191 ½
Centest Corporation Sts of Com Sits \$1 - \$53½ ½
Centest Corporation Sts of Com Sits \$0.25 \$25%
Creditar ham & Gloucester Build Soc 11½%
Perm Int Bearing Sts \$50000 - 2114.8 .95

(14FeS5) Cayhithe PLC 9.5% Subord Cnv Uns Ln Str 2000/07 - 231 (15Fe65) Coastal Carporation Shs of Com Str \$0.33 1/ Coastal Corporation Sris or Coastal Corporation Sris or Coastal Corporation Sris or Coastal Co - 281
Costs Viyelia PLC 4.9% Cum Pri 21 - 64
Cohen/A.) & Co PLC Non.V 'A' Ord 20p - 480 (14Fe85)
Commercial Union PLC 3.5% Cum Red Pri 21 - 83 (14Fe85)
Commercial Union PLC 8²8% Cum Ind Pri 21 - 102²8 3 ²8

o 14 Indon PLC 674% Quanting Pri 21 - 1104 4 ve Bank PLC 9.25% Non-Cum land Co-Operative Barris PLU 1922 (1971) City Red Pri 12: - 1122 (1972) City Red Coupe Fredericki PLC 8.5p (Net) City Red Curry Ptg Pri 10p - 82 (14Fe89) Courtaudds PLC 8¹2% Uns Ln Sts 94/96 -Bulds PLC 74,% Uns Ln Stk 2000/05 -Courteuts PLC 74% Uns Ln Six 2000/05 -2894 (10Fe95) Coventry Building Society 124 % Perm Inter-est Bearing She \$1000 - \$1144 \$2 2010 & Rose PLC 5% Curn Pri Six 21 - 50 (15Fe95) Crene Europe Ld 512% Cum Prf 8tk £1 - 50

(10Fe85) Delty Mell & General Trust PLC Ond 50p -E13/2
Dailgaty PLC 4.85% Cum Pri 21 - 70
Debenhams PLC 71/3% 2nd Deb Sit 91/96 5974, (135-95)
Debenhams PLC 71/3% Une in Sit 2002/07 590/2 (145-95)
Dencora PLC 8.25% Cum Cnv Red Pri 21 -Inst Group PLC 9.75% Cum Prf £1 -

Devitural PLC Ord 10p - 88 92 (15Fe65) Discore Group PLC ADR (5:1) - \$7.0332 Disone Group PLC ADR (\$11) - \$7.0332 (10)F489 Dominion Energy PLC Ord 5p - 12½ (15F489) Dower Corp Com Six \$1 - \$804 East Survey Water PLC 10% Red Deb Six 97/99 - \$100 (15F489) Edipos Blads PLC 8.25p (Net) Cum Red Cav Pri 5p - 81 2 (15F485) El Oro Miningli-Exploration Co PLC Ord 10p -\$80 4 90 (14F485) Blott(3) PLC 3.15% Red Cum Pri[2000]\$1 -55

o s(Windledon) PLC Ond 25p - 25 eas PLC 8.25p(Nat) Onv Cum Red Pri Sp. 71 Jul 54 - 71 ½ .54 riceson(L.M.)(Telefonskilebologet)Ser 8.217
Suro Disney S.C.A. She FHS (Depository Receipts) - \$2.32 p. 187 8 42 5 6 8 7
Euro Disney S.C.A. She FHS (Br) - FR11.484 49 56 5 .84 35 .80 7 .72 % 8 .85
Eurotannel PLC/Eurotannel A Units
(Scovern Inscribed) - FR24.8 .86 .88 .7 .75 8 .76898 .778 .88 .94 .98 5 .12 .2
Eurotannel PLC/Eurotannel SA Frich

Wts(16PLC & 16SA Write) £16 (15Fe85) Error (15Fe95)
Euroturnal PLC/Euroturnal SA
1991 Whyti EPLC/ESAWtsub EPLC/ESAUte(SLI) - FR15.012
Er-Lunda PLC Warrants to sub for Shs - 19
(15Fe95) n Holdings PLC Ord 5p - 123 (13Fe65)

Pation Holdings PLC Ord Sp. - 123 (137-985)
First Chloago Corp Com Skt 55 - 5894
First Shidonel Building Society 114 % Perm
Int Bearing She £10000 - £1059
Finat National Finance Corp PLC 7% Cov
Com Ridd Pt 21 - 119
Page 115 - 11

eneral Accid: - 102¹4 ²4 General Accident PLC 87g% Curn Into Pri £1 - 1024 5g.

General Accident PLC 87g% Curn Into Pri £1 - 1115g. 2 fg.

General Sectric Co PLC ADR (1:1) - \$4.57 (157605)

Gibba & Dandy PLC Ord 10p - 86 (147605)

Gymwed International PLC 10% 6g. Uns Ln Stk.

84/88 - 598/5g.

Grand Metropolitan PLC 5% Curn Pri £1 - 86 (137605)

Grand Metropolitan PLC 6% 6g. Curn Pri £1 - 86 (137605)

Grand Metropolitan PLC 6% 7g. Curn Pri £1 - 86 (137605)

Grand Linkersal Stores PLC 5% Red Uns Ln Stk. = 500 (107695)

Great Universal Stores PLC 5-3% Red Uns Ln St. - 520 (107-65) Great Universal Stores PLC 6-1% Red Uns Ln St. - 595-2 (147-65) Greensits Group PLC 8% Cum Prf £1 - 105 Greensits Group PLC 8% ind Uns Ln St. -£22 202 Greenalis Group PLC 91-9% Into Uns Ln Six - 5941/2 (101-65)
Greenalis Group PLC 7% Cry Subord Bds 2003 (Reg. - 2103.45 1/2 44)
Greenalis Group PLC 9.5% Cry Uns Ln Six 1995 - E150 (15-65)
Guinnese PLC ADR (5:1) - 5325/2 (141-95)
HSBC Hdup PLC Ord Shift (Horp Kon)
Reg. - 25.60368 54795/2 7 80 35695 4
A5 1/2 7 3 7 47.789701 8.8 1.03 .063612
163405 35 A1287 555414 8/77474
774742 .774749 .774754 .8035 .836595

..558 2.094168 ISBC Hidge PLC 11.69% Subord Bds 2002 FISSE PROSE PLC 11.89% Subord See 2002 (Reg) = 2.105 HSSC Heige PLC 11.89% Subord Bds 2002 (Br Svisr) = 21094.00 Halfar Building Society 12% Perm Int Bear-Ing She St (Reg 250000) = 5119 (14Fe85) Halfan Holdings PLC Ord 59 - 67 Herma PLC 11% Curr Pri St - 127 (13Fe85) Harmanium PLC Ord 25p - 313 5 5 -16 8 7 7 18 8 Hammerson PLC Ord 25p - 313 5 5 .1 ,18 8 Hardys & Herseone PLC Ord 5p - 283 (15Fe85) asbro inc She of Com Sik \$0.50 -\$32.34074

Histown Hidge PLC ADR(4:1) - \$10% (167-66)
Holmes Protection Group inc She of Com Stk 50:25 - 50.44 (107-66)
Hong Kong Land Höge Ld Ord \$0.10 (Bermuch Reg - SH144-60)
Housing Finance Gorporation Ld 11¹2% Deb Stk 2016 - 2113¹2 4¹/₂ (157-66)
IS Himsteyen Fund NV Ord FL0.07 - \$14 ¹/₂ (cetend Group PLC Cnv Cum Red Pri 20p - 122 lesterid Group PLC Criv Cum Red Pri 20p 122
Bingworth Marin Sathaire) Ld 7% Non-Cum
Pri 50p - 24 (16746)
Industrial Control Services Grp PLCOrd 10p 141 (147469)
Industrial Control Services Grp PLCOrd 10p 141 (147469)
Indistrial Control Services Grp PLCOrd 10p 141 (147469)
Indistrial Services Grp PLCOrd 10p 141 (147469)
Indistrial Services Grp PLCOrd 10p 141 (147469)
Indistrial Services Grp PLC 4.98 (147469)
Indistrial Life PLC 0rd M20.10 125 (147469)
Iones Strouth Hotel PLC 1075 Cum Pri 21 126 (147469)
Iones Strouth Hotel PLC 1075 Cum Pri 21 126 (147469)
Iones Strouth Hotel PLC 1075 Cum Pri 21 115 (157469)
Kestrial Motor Group PLC 4.9% (First 775)
Cum Pri 21 - 73 (167469)
Iones Burge Fluid Ld Shellin to Br) 50.10
(Cpn 77 - 23910.39 40009 40027-0
Iones Fluid Group PLC APR (1-1) - \$2.8
Lemont Hotel Fluid Com Pri 50p - 30
Land Sequiplies PLC 9% Int Mig Dab Sat 98/
2001 - 2100

Land Segurifies PLC 9% 1st Mitg Deb Sit 96/ 2001 - 2100 LASMO PLC 103/% Deb Sit 2009 - 21057/ Lathern(lames) PLC 6% Curn Prf 21 - 73 (137-625) Labous, Pistinum Mines Ld Ord RO.01 - 79© Leeds & Holbeck Building Society 135/4% Perm Int Bearing Shs 5:1000 - 2126 Leeds Permanent Building Society 135/4% Perm Int Bearing 250000 - 21353/4, 2 % 64,

menship PLC 7576 Cum Pri Lister & Co PLC 5% Pr@carrie1 - 56 (10fets)
Lombard North Central PLC 5% Cum 2nd Pri
51 - 56 (10fets)
London International Group PLC ADR (5:1) 57.85 (13fets)
London PLC ADR (1:1) - \$2.35.36
Leokara PLC 8% Crw Cum Red Pri \$1 -

MEPG PLG 94,% 1st Ming Deb Six 97/2002 -2707-9 MEPC PLC 8% Uns Ln 8% 2000/05 - 233 McCarthy & Stone PLC 8.75% Cum Red Ptf 2003 E1 - 66 (15Fe65) 2003 21 - 69 (15F-695) McCarthy & Stone PLC 7% Crv Uns Ln St, 9974 - 694 (15F-695) McLasmay Properties PLC "A" Ord In201.10 -E00.08 arin Oriental International LC Ord \$0.05

.422061 Manganese Broros Hidgs PLC 8¹4 % Cum Pri St - 77 (15Fe8Q Marks & Spencer PLC ADR (81) = \$36.68 (15Fe8Q Martics & Sourcer PLC ADR (8:1) - \$36.68 (157-96)

Microre PLC ADR (4:1) - \$10.79\$ % \$4 14 (Meccury International for Trust Ld Pay Record Ptd 10 (Peedvie Fund) - \$20.0288 (107-95) (Mothele Moore PLC 102-96 1st Mitg Deb Six 2020 - \$298-1; (107-95) (Mercory Doctes & Harbour Co 81, % Red Deb Six 98/98 - \$298-2; (157-95) (Mercory Doctes & Harbour Co 87-96 Ind Deb Six - \$28 81, (137-95) (Midland Bark PLC 14% Subord Uns Lin Stx 2002/U7 - \$12112 (157-96) (Midland Bark PLC 14% Subord Uns Lin Stx 2002/U7 - \$12112 (157-96) (Midland Str. Stx of Gess A Cost Six \$2.05 - \$22.84 (137-96) (Moore Carriotte Investments PLC 103-96 1st

Nedical Enterprises Inc Shs of Com Six 80.05 - 515¹/₂ National Power PLC ADR (10:1) - \$74.83 (157635) (15FeS5)
Netional Westminater Benk PLC 595 Non-Cum Stig Pri Sers "A" 21 - 115% % 6 6 %
National Westminater Benk PLC 12/2%
Subord Uns Ln Six 2004 - 218/2
New Central Witwelstmand Arees Ld R0.50 -

New Central Witwatersand Aress Ld R0. 254, (10769) Newcastie Building Society 125/16 Perm Interest Bearing She 21000 - 21194, (14Fe85)

Interest Bearing She 21000 - 21194, (14565)
News International PLC 4.9% (Pmly 7%) 1st Cum Prf 1: 65% 7 (107695)
News International PLC 99% 2nd Cum Prf 1: -75 (107695)
News International PLC 99% 2nd Cum Prf 1: -75 (107695)
Next PLC 69% Cum Prf 2: -85 (107695)
Next PLC 69% Cum Prf 2: -85 (107695)
Next PLC 79% 12 Cum Prf 2: -85 (107695)
Next PLC 109% 18 Cum Prf 2: -85 (107695)
Next PLC 109% 18 Cum Prf 50p - 45
Northern Foods PLC 6% Crw Subord Bds 2008 (Peg) -295% 8
Northern Foods PLC 6% Crw Subord Bds 2008 (Frg) -295% 8
Northern Foods PLC 6% Crw Subord Bds 2008 (Fr 2 Var) -285% (Preps)
Northern Foods PLC 6% Crw Subord Bds 2008 (Fr 2 Var) -285% (Preps)
Northern Foods PLC 6% Crw Subord Bds 2008 (Fr 2 Var) -285% (Vrw Subord Bds 2008 (Vrw Subord

- \$25¹g Paridand Group PLC Ord 25p - 153 (15Fe85) Paterson Zochonis PLC 10% Cum Pri 51 -117 (10Fe85) Peal Hidgs PLC 5.25% (Net) Criv Cum Non-Vig Pri 51 - 97 (14Fe85) Peal South East Ld 8¹e% Une Ln St 87/87 -(10Fe95) Foods PLC Sp(Net) Cum Crrv Red Pri 10p - or dry 90 Petrolina S.A. Ord She NPV (Br in Denom 1,5 & 10p - £188,9 BF9161 Pittards PLC 9¹/₂% Cum Prf £1 - 90¹/₂ (10Fe85)

(10Fe85)
Plantation & General invs PLC Werrants to sub for Ord - 1 (10Fe85)
Plantation & General invs PLC 9½% Cum Red Pri £1 - 83 (14Fe85)
Poliphand (C.P.) Co Ld She \$0.05 (Hong Kong Registered) - SH1.88 .9129 .820833 (15Fe85) well Duffryn PLC 44k% Cum Pri 50o - 25 (15Fe85) PowerGen PLC ADR (10:1) - \$77.85 (15Fe85)

mier Heelth Group PLC Ord 1p - 07, 14, writer PLC 8.8% Cum Red Pd £1 - 95 (1.5 re55) RJB Mining PLC Ord 1p (RFD-1/1/35) - 310 1 ¥7+1 Ld 9% Uns Ln Sik 99/2004 - £98 RFH L(1 9% Uns Ln Six 99/2004 - 238 RTZ Corporation PLC 3.325% "A" Cum Prf £1 - 53 (10Fe95) RTZ Corporation PLC 3.5% "B" Cum Prf £1(Reg) - 53 (15Fe95) Racal Electronics PLC ADR (2-1) - \$7.02 (14Fe95) Rark Organisation PLC ADR (2-1) - \$11.85 (14Fe85)

Rank Organisation PLC ADR (2-1) - \$11.85
(147-65)
Reackt & Colmen PLC 5% Curn Pri 21 - 54
Renold PLC 5% 1st Deb Six 91/96 - 2999
Retail Corporation PLC 4.02576 (Pmly 54/9)
Curn 2nd Pri 21 - 55 (157-66)
Retail Corporation PLC 4.5576 (Pmly 64/9)
Curn Srd Pri 21 - 63
Royal Bank of Scottland Group PLC 11%
Curn Pri 21 - 110 (167-655)
SCECopp Sha of Corn Six of NPV - \$16/2
Santoni & Santoni Co PLC ADR (3-1) - \$5.015
Santoni & Santoni Co PLC ADR (3-1) - \$5.015
Santoni & Santoni Co PLC ADR (3-1) - \$5.015
Santoni & Santoni Co PLC ADR (3-1) - \$5.015
Santoni & Corn Corn Santoni Corn Red Pri 200 - 48 (107-665)
Sconstronic Hidge PLC 7.25p (Net) Grav Curn
Red Pri 20p - 48 (107-665)
Schol PLC 56/96 Curn Red Pri 2006/11

Scholl PLC 54-96 Cnv Gum Red Prf 2006/11 P1 - 68-1 (10Fe85) Scottlish & Newcestle PLC 4.6% Cum Prf £1 - 70 (15Fe85) sate PLC 6.425% Cum Pri a PLC 4.9% (Firsty 7%) "A" Clam Prf S1 -

Shell Transport&TrackngCo PLC Ord She (Br) 25p (Cpn 193) - 725 (15Fe95)

Singer & Friedlander Group PLC 8.5% Criv Subord Une Ln Sik 2009/14 - \$107 \ 8 8 12 ton Building Society 127,16 Perm int uning She 21000 - 2120 2 Beautry She \$1000 - \$120³/₂ Shifts New Court PLD "A" Warranta to autoro Cord - \$2.12 (157-855) Shifts New Court PLC 1276 Subord Une Le Shi 2001 - \$1040 Smith/Gree Beachard PLC ADR (5:1) - \$38⁵/₂

Smith Olive Becchain PLC/Smith Olive ADR (5:1) - 3374 1 4 45075 1 2 1 South Smith Olive PLC 9 4 5 Red Deb Sit 892500 - 238 (157-65) Smither Charlest PLC 12 4 5 Subord Una La Sit 202007 - 2113 (157-65) Savert Zigolanda PLC Ord Sit 20p - 27.51 (147-65) (14Fe95) 7 & N PLC 113,% Mtg Dab Stk 95/2000 -

(1979a) 11-1, % Mby Deb Six 95/2000 - 11-1, 15 Mby Deb Six 95/4 - 11-1, 15 Mby Deb Six

- ETGF/2 (Turney)
TrialWast Communications PLC ADR (19:1) \$255-\$0
Tesco PLC ADR (1:1) - \$4.02
Tesco PLC 4% Lins Deep Dao Ln Sik 2006 ESS (137656)
Tessoo international Financial Cosp8% Sig/\$
One God Ln Sik 31/39 - 2120
Thai Prime Fund Ld Pig Red Pri \$0.01 \$14.8

S14.5
Theliand International Fund Ld Pig She \$0.01
(DPI's to Br) - 229000 23/100
THORN EAS PLC ADR (1:1) - \$16.65 (13Fe85)
Tootal Group PLC 41/4 Perp Deb Stk - \$487/2 2482-Tope Enteres PLC Wha to sub for Ord - 18 (157485) Traininger House PLC 7% Une Deb Six 21 -70 (157495) Traininger House PLC 8% Uhrs Ln 90x 94/98 -231 (157495) Traininger House PLC 8/2% Uhrs Ln 90x 2000/

05 - 534/2 Nedalgar House PLC 10¹1/5 Uns Lx 9tk 2001/05 - 538 9 (15Fe65) Texnedlentic Holdings PLC 8 6% Grv Prf 21 - 58 Treforest Silk Printers Ld 6% Non-Cum Pri 51 - 58 (14Fe65) Uniquite PLC 6¹2% Uns Ln Sik 91/96 - 597 (13Fe65) es) nternational Co PLC 6% Cum Pri Stk

Union International Co PLC 7% Cum Pri Six £1 - 54 Union International Co PLC 7% Cum Pri Six £1 - 55 (ISFe65) Unioya Corp Com Six St.01 - 361₂ .6 Vasas Group PLC 8.875% Data Six 2015 -£105% (ISFe65) Voctobram Group PLC ADR(10:1) - \$29,746 746 1, 55

- 100¹₂ (10FeS) Watmoughat/stigs PLC 8¹4% Cum Red Pri 2008 E1 - 98¹2 (14Fe9S) Westcome PLC ADR (1:1) - \$18¹/₂ ¹/₂ Whitmed PLC 7% 3rd Cum Pri Stk E1 - 72 (10Fe95) (10Fe95) Visibned PLC 7%% Une Ln Stk 95/99 -1239 wad PLC 7½% Une Ln Stk 96/2000 -

(147655) Wison(Connoby)Hidgs PLC 10¹2% Cum 2nd Pri £1 - 122 5 (10Fe85)

122 \$ (10F#85) and Nigel Ld Ord R0.25 - 26 (10Fe85) bers Group PLC 712% Cum Pr! Site Woolcombers Group PLC 71₂% Curt Pri set £1 - 84 (IDFe65)
Yervale Barden Centres PLC 9.5% (Ne5) Crv Curt Red Pri £1 - 145 (IDFe65)
Xerox Corp Corn Sit \$1 - \$1091₂ (14Fe99)
York Waterworks PLC Ord 10p - 330
(13Fe85)
York Waterworks PLC Warrants to sub for Ord - 200 (IDFe65)
Yorkative-Tyre Tows TV Hidgs PLC Was to sub for Ord - 252
Yule Catio & Co PLC 11¹2% Curt Red Pri 1988/2003 £1 - 115 (13Fe85)

Investment Trusts BZW Endowment Fund Ld Redeemable Ord 1p - 101 2 Belife Gifford Japan Trust PLC Was to Sub Ord Shs - 25 32 Battle Gifford Shin-Nippon PLC Wernents to auto for Ord - 76

sub for Ord - 78
Beille Gifford Shin Nippon PLC Wertenta to stub for Ord 2005 - 59 9 (14Fe65)
Bentons Investment Track PLC 3.5% Curn Pri Str. - 269 (16Fe65)
Bentons Investment Track PLC 3.5% Curn Pri Str. - 269 (16Fe65)
Benton Tribume Investment Track PLC 9½ % Deb Sik 2012 - 309 (15Fe65)
Bentonsment Investments Track PLC Was to stub for Ord - 21 (15Fe65)
British Asset Track PLC Equities Index ULS 2005 10p - 148½ General Trust 10½%
British Empire Sec & General Trust 10½%
Deb Sik 2011 - 2108½ 9 Dals Skt. 2011 - 21692 9
Capital Gening Trust PLC Ord 25p - 490
(15FeSS)
Clemente Kores Emerging Growth FundShs
\$10 (Feg Luc) - \$13.4¢
Resity European Values PLC Equity Liniard
Uns Ln Skt 2001 - 135¢
Firstury Smaller Co's Trust PLC Zero Div Pri
25n - 191 2 (15SeS) Persoury Smaller Co's Trust PLC 2000 DN PT 250 - 191 2 (157695) Remaing Far Egather law Trust PLC 5% Cum Ptf 21 - 50 (147605) Fearing Marcardie Inv Trust PLC 2.8% Cum Ptf Stk 21 - 41 (187605)

Plenning Mercantile Inv Trust PLC 3.5% Cum. Prf Six 61 - 30 Surbmore Strikish Ins & Grith Tet PLCZero Divi-dend Prf 10p - 108 (15Fe09) Gertmore Strand Equity Treat PLC Geered Cardina 18th - 94 Ord inc 10p - 84
General Core Invest Trust PLC 6¹/₂ % Cum
PH 38r - 557¹/₂ (10Fe95)
HTR Japenese Smiller Co's Trust PLCOrd
25p - 90 ½ ½
Holspur Investments PLC Ord 51 - 350 3
(13Fe85)
JF Recipiling Japen Ld Werrants to sub for
Ord - 31 JF Percenting Jepan Ld Wermet to See Ac Ord - 31
Lazard Select Investment Trust Ld Ptg Red Pri D. ip Global Active Rund - £12.36 12.39 (105-65)
Lazard Select Investment Trust Ld Ptg Red Pri D. ip U.K. Active Fund - 138½
Lenerd Select Investment Trust Ld Ptg Red Pri D. ip U.K. Liquid Assets Fund - £10 p 897 (105-65)
Lazard Select Investment Trust Ld Ptg Red Pri D. ip U.K. Liquid Assets Fund - £10 p 897 (105-65)
Lazard Select Investment Trust Ld Ptg Red Pri D. ip U.K. Index Fund - £14.95 14.68 Pri 1:10 LLC moon runs - Listes - Liste

(10Fe66)
London & St. Lawrence Investment PLCOrd
5p - 180 (15Fe66)
Henyam Grentell LatinAmor Core Tet PLCN's to
sub for Ord - 24 ½ 5 5 30
New Grammer Securities Trust Ld Grd 25p bes French Investment Trust PLCSers "A" Warrants to sub for Ord - 10 (14Fe65) Parties French Investment Trust PLCSers "B" Warrants to sub for Ord - 10¹2

(15F-925)
Pater & Morcardillo Trust PLC 5% Curn Pri St. - 279%, (10F-925)
Pater Plate & Carn Invest Trust PLC 5% Curn Prid St. - 592% (10F-925)
Schroder Korsen Fund PLC Cut St.Dr. (Br) -312 (15F-925)
Scottish Eastern New Trust PLC 4/g% Curn Pri Str. - 926 (15F-925)
Scottish Eastern Inv Trust PLC 4/g% Deb Str. 1979 - 10F-186. SPT 684 - 243 (15Fe66)
Scottish Eastern inv Trust PLC 843% Deb Stk
2020 - 21084
Scottish Mortgage & Trust PLC 6-1296
Stepped int Deb Stk 2023 - 2128[2] 914
Scottish Medional Trust PLC 10% Deb Stk
2011 - 21052 6/24 (14Fe66)
Securities Trust of Scottand PLC 12% Deb
Stk 2013 - 2125 14 (14Fe66)
TR City of Landon Trust PLC 1112% Deb Stk
2014 - 21182 12
Throgmation Trust PLC 12 5/16% Deb Stk
2010 - 212312
Wigmans Property Investment Tat PLCWte to
Sub for Ord - 18

Miscellaneous Warrants Bardays De Zoete Wedd Wha Ld Call Wha (Sna SER Ring FTSE 100 17/3/95 - 20.02 (10Fe88)

USM Appendix Edos PLC Ord 10p - 310 (187-883)
PBD Heidings PLC Ord 185L50 - 851.89
Gibbs Mew PLC Ord 25p - 410
Middend 8 Sootish Resources PLC Ord 10p 14; 24;
Strong Publishing Group PLC 836 Criv Cura
Red Pt 2000 RT - 47 (147-885) Toketing Group PLC 7.75% Onv Cum Red Prf £1 - 40 (15Fe95) Total Systems PLC Ord Sp - 28 (14FelS) United Energy PLC Was to sub for Ord - 3 (15FeBS)

Rule 4.2(a) Fiulio 4.2(a)

Absous Recruiment PLC Ord 1p 90.248769 0.257259

Advanced Media Group PLC Ord 21 - 227

Advanced Media Group PLC Ord 21 - 23.8

3.55 3.57 (187468)

Advanced Media Group PLC Was to sub for Ord - 2.15 (107489)

All England Lawn Termis Ground Ld Deb 91/95 22000 - 27750 8000 (197499)

Arm Street Brewery Os Ld Ord 21 - 23.8

(107485)

Armon Village Ld Ord 100 - 20.29 (107485)

Areanal Footbalt Cub PLC Ord 21 - 9450

(107465)

Auton Willa Footbalt Cub PLC Ord 25(1 vota) - 280 (107465)

- 280 (16Fe05) Azure Group PLC Ord 10p - 20.265 0.3 Bercleys Investment Fund(CLI) Global Resources Fund - 20.572 (10Fe96) Investment Pund(C.1) Global nas Fund - 20.572 (10FeSS) Investment Fund(C.1) Steding Bd Fd Barciaya Inves - £0.41370 V.H.)& Sons PLC Ont 25p - £2.7 Braicspess (13Fe85) (13=669) Bramcote Holdings PLC Ord 5p - 20.42 Bray Technologies PLC Ord 10p - 20.85 (10Fe85) Cattle Football & Athlantic Co Ld Ord 21 -9858) 955¢
Codefinal PLC Ord 21 - 20.0126 (15Fe86)
Confister Trust PLC Ord 25p - 20.2 (14Fe85)
Country Genders PLC Ord 25p - 20.37
(15Fe85)
Coutts Global Fund UK Squity Fund - 210.78

Cootis Globel Famil UK Squilty Fund - \$10.78 (107-65)

D.B.S.Marragement PLC Ord 10p - \$2.7 (107-65)

Desean Hidge PLC Ord 10p - 25 (147-65)

De Gruchy (Abraham) Co Ltd Ord 20p - \$1.2 (107-65)

Bilot (8.) PLC 7.5% (Mail) Cav Cum Red Pri \$1 - \$1.23 (147-65)

Euchem PLC Ord 50p - \$2.1
FL Group PLC Ord 50p - \$32 (107-66)

Practices Group PLC Ord 50 - \$23.3756) 0.340 Forestream Ld Ord 21 - 90.57 (13Fn95) riong Homes Group PLC Ord 10p - 20.97 ander Holdings PLC Ord 1p - 20.085

usta Accolnimenta PLC Ord 1p - 50.05 Graduate Apparatements PLS one up - 2004 (14965) Greenists PLC Ord 1p - 2026 0.28 Guernaey Gas Light Co Ld Ord 10p - 20.985 (157669) Harson Group PLC Ord 1p - 20.545 0.55 Harray Cooks Group PLC Ord 10p - 20¹2 1 E S Group PLC Ord 10p - 94.65 (TS Group PLC Ord 51 - 90.31 (14Fe85) PMSSCO MBA traversational Ld Japan faces & Growth - \$1.797 Juni (15Fe85)
Jennings Bran Ld Ord 25p - £2.1 (15Fe85)
Just Group PLC Ord 1p - £3.036 (15Fe89)
Holmwort Bermontint) Fund Man Kg Gilt Fund
- £13.00 (10Fe85) (Celmont Benson(Int) Fund Hen int Equity Gwith Inc - 52.4970 Labyrian Group PLC Ord 10p - 10.37 Lenceshire Enterprises PLC Ord Sp - £1.77 (14Fe95)

slow tradin

(1-07-00-7) Landie Group PLC Ord C1 - 225 2 (107-025) Leeds Fredity Co Ld 4% 1st log Debal - C39 Le Riche's Stores Ld Ord E1 - £3.05 3.1 (10Fe95) (10rests) Littlewoods Organisation Ld 12% "8" Cum Pri \$1 - \$1.45 (14Fe85) Liverpool PC & Athletic Grounds PLCOrd 25 -2550

London Flouciary Trust PLC Ord 1p -\$0.020313 50.020313 Memory Corporation PLC Ord 2p = £1.1 1.12 Middland Bank Fund Man (Jersey) Ld Informa-tional Circuit Porticilo - £1.2894 (10FeSS) Milloutech PLC Ord 10p - £0.04 N.W.F. Ld Ord 250 - 12.3 National Grid Hidge PLC Ord 10p - 09.79 National Purking Corp Ld Ord 10p - 04.55 tury Rececourse PLG Ord £100 - £2600

North West Exploration PLG Oct 1p - 30 Northern Martime Property Inve Ld Ord 0.1p - 20.550 - 11.30% Calcul Enterprises Lt Ord E1 - 20.0373 Pacific Media PLC Ord 1p - 1½ Pacific Media PLC 11% Cum Pri E1 - 20½ (16Fa85) Pan Andenn Resources PLC Ord 1p -20.045© Perpetual Lorsey) Offshore Emerging Co's -93,89942 (10Fe8S)

Perpetual/Jersey) Offshore Japan Growth Fd - 20.760586 (10Fe85) Perpetual/Jersey) Ottahore UK Growth -21,8572 (10Fe85) 21.8572 (10Fe85) Rangers Footbell Club PLC Ord 10p - 20.95 Rangers Footbell Club PLC B Deb Sik \$1300 - 2000 (10Fe85) Rohbel Swibogio Holdings Ld Ord 10p -50.72 tish Pride Hidgs PLC Ord 10p - 101.38 (14Fe95) Sefton Hotel Ld Ord £1 - £3.85 (13Fe95)

Sevent Yelley Resives/HopsiPLC Ord \$1 -\$2.7 (10Fe85) Shephard Neems Ld "A" Ord \$1 - \$7.2 Sathern PLC Sha 1p - \$0.015 0.015 (15Fe85) South Green Hidgs PLC Ord 1p - \$0.005 (15Fe85) Southern Newspapers PLC Ord E1 - E4.42 4.45 4.46 4¹2 (14Fe86) may Free inns Ord £1 - £0.45 Sutton Harbour Hidgs Ld Ord 25p - £1.2 (15Fe85) Regitur PLC Ord 5p - \$0.04

Tooki PLC Ord 10p - 20.8 0.63 (14Fe95) Tracker Network PLC Ord £1 - 27 (14Fe95) Transense Technologies PLC Ord 1p - 20.9 VDC PLC Ord 21 - 24.4 (14Fe95) Warburg Asset Management Jersey Mercury Intl Gold & General Fd - \$1.53 (14Fe88) Weetably Ld "A" Nor.V Ord 25p - \$1.92 Westably Ld "A" Nor.V Ord 25p - \$18.92

eter Multi Media PLC Ord 5p - 20.7 Wymostay Properties PLC 25p - £1.305 (10Fe/85)

RULE 2.1 (a)(V) Remains marked in securities (not falling within Rule 2.1 (a)(i)) where the pricipal market is outside the UK and Republic of Ireland.

Aust. Foundation Inv 88 (15.2) Alistei Corp \$28¹2 Armon Department Str Bank of East Asia HK\$21.55 Black Hit Minerale A\$0.059 (13.2) Beach Petroleum 3 (14.2) Centeur Mining & Expl. A\$0.53757 Charchill Resources A\$0.258 (15.2) City Developments \$\$7,223668,7.260167 Cons. Resources A\$0.84394,0.84819 (15.2) Debrippon Screen Manufacturing Y670.23 (10.2) Devex 10 (14.2) Forest Laboratories £31 4 (13.2) Rubela Corp 51 Hunter Resources 260 (14.2)

Hysen Development HR\$16.048531 Kulim Malayala 85 (15.2) Malaysia Airline System RM8.2544 (14.2) Malaysian Plantations 50 (13.2) Mid-East Minerals 25 (10.2) Mugini Mining A\$3.548 North Finders Mines 335 Oceanouring Int \$8.03,9.125 (15.2) Oil Search AS0,867 (15.2) Orb# Of & Gas 40 (10.2) Poleris Resources \$44,2235\(\overline{\phi}\) (10.2) Regal Hotels HIG\$1.47,1.478071 (14.2) Robinson & Co S85.90.5.93685 (15.2)

Supphire Mines ASO.09 (10.2) Third Canadian Gen Inv Tet 51212 (10.2) United Overseas Land S\$2,7173 (15.2) Waitatis Mining Co. 3 (13.2) By Permission of the Stock Exchange Council

Coutts & Co Interest Rates effective from

20th February, 1995							
DEPOSIT ACCOUNTS	gross interest rate p.a.	gross compounded annual rate					
Three Month Reserve Account							
£50,000+	5.625%	5.75%					
£25,000-£49,999	5.25%	5.35%					
£10,000-£24,999	5.00%	5.10%					
Current Account with Cash Ma	nagement O	ption					
£50,000+	4.50%	4.58%					
£20,000-£49,999	4.00%	4.06%					
£5,000-£19,999	3.25%	3.29%					
Reserve Account for Personal C	ustomers						
£50,000+	4.50%	4.58%					
£20,000-£49,999	4.00%	4.06%					
£5,000-£19,999	3.25%	3.29%					
Reserve Account for Businesses	/Charities/S	ocieties					
£100,000-£1 million	4.25%	4.32%					
£25,000-£99,999	3.875%	3.93%					
£10,000-£24,999	3.25%	3.29%					
High Interest Clients Accounts							
£100,000+	4.25%	4.32%					
£25,000-£99,999	3.875%	3.93%					
£10,000-£24,999	3.25%	3.29%					
7 Day Notice Deposit Account	1%	1%					
TESSA	6.75%	6.92%					
Charity TESSA	6.125%	6.27%					

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Slow trading as investors watch the US dollar

By Terry Byland, UK Stock Market Editor

Currency factors continued to overshadow UK equities yesterday and, with British government bonds also out of favour, share prices drifted lower. The market closed at the low of the day after Wall Street opened easier and paid little heed to a rally in the dollar towards the end

of the London session. The final reading showed the FT-SE 100 Share Index at 3,044.2 for a net loss on the day of 6.9. The Dow Jones Industrial Average was 12 points off at this stage. British government bonds steadied at the

so across the range. UK equities the trend remained mildly downmade an uncertain start as investors weighed the Dow's rise to a new peak overnight against the dol-lar's continued troubles, which were reflected in an easier trend in

bond markets. Technical factors surrounding expiry of the Footsie option in the derivatives market also inspired volatility in the underlying equities.

Within a short space of time, the Footsie had been 10 points down and three points up but there was little heart in the market. Share prices soon settled down to a negative pattern and, with little to look

wards.

After a slow start, the Dow Average slipped lower and London followed suit. Trading volume in UK equities was modest, with the Seaq network recording 417.6m shares dealt, compared with 666.7m on Thursday, when the total was boosted by one large trade in a lowpriced share. Retail business on

Thursday was worth £1.48bn. At last night's close, the Footsis was around 2.1 per cent off on the week. Share prices moved cau-tiously at the beginning of the week as investors braced themselves for the latest data on UK inflation and economic progress which came at

mid-week. The FT-SE Mid 250 Index. taking in a range of second line stocks, has outperformed the Footsie this week. Yesterday's fall of 1.5 to 3487.2 left the Mid Index with a

loss on the week of only around 0.5

LONDON STOCK EXCHANGE

per cent. Although this week's UK economic statistics were fairly well in line with market expectations, the implications were quickly brushed aside by worries over weakness in the dollar, which in turn reflected renewed concerns over the Mexican financial crisis.

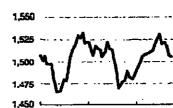
Bond markets have become unsettled as the dollar weakened. Longwere around # down early in yes- gar House.

terday's session before rallying as

the US currency steadied. Takeover speculation continued to bubble beneath the surface. Wellcome gained a breathing space to continue resistance to Glaxo's unwanted 29bn plus bid after the High Court ruled on Wellcome Trust's intention to sell its 40 per cent stake to the predator.

The deal, if successful, will put around 26bn cash into the hands of investment institutions which are likely to reinvest in securities markets. Also helpful for market liquid-ity was Northern Electric's decision to pay a special dividend as part of 10 yr Gut vield dated British government bonds its fight against the bid from Trafal-

FT-SE-A All-Share Index



Dac Source: F7 Graphite

FT-SE-A Non Fins p/e

Long gilt/equity yld ratio:

FT-SE 100 Fut Mar

indices and ratios FT-SE Mid 250 3437.2 FT-SE-A 350 1522.5 FT-SE-A All-Share 1505.80 FT-SE-A All-Share yield 4.11 FT Ordinary index 2315.0

Jan 1995 -1.5 -2.8 -2.59 Feb 16 (4.10) Feb 15 -7.8 Feb 14 (17.66)Feb 13 ... -0.5

YESTERDAY

Bluebird Toys

Hardy Oil

Natl. Power

Nrtn. Elect.

Sage SEEBOARD

Telegraph

BAT Indo

Ball (AH)

Kinglisher

Meyer

Brit. Biotech

Quayle Munro Telemetrix

Southern Business

Sth. Wales Elect.

Westminster Health 305 + 12

Equity Shares Traded

FT-SE 100 Index Closing Index for Feb 17.....3044.2 Change over week 3074.9 .3071.3 .3081.1 High*3106.3 Low _3041.0 (2.13)"Intra-day high and low for week

248 + 12

1112 + 19

884 + 28

432 - 9

162 - 13

360

profit expectations. They

included BZW which reduced

current year profit expecta-

BZW this week issued a

replacement warrant on a bas-

ket of seven food retailing

stocks. Called the UK trolley

basket warrant, it has an 18

month life and is set to expire

Stanbope Properties started

trading again and closed at 3p

(having been suspended at 8p

in December) after publication

of British Land's recommended

offer for the group. British Land firmed 2 to 371p.

164p, as the market digested late afternoon news that the

German cartel office has

rejected the group's plans to buy Kolbenschmidt, the Ger-

Motor components group

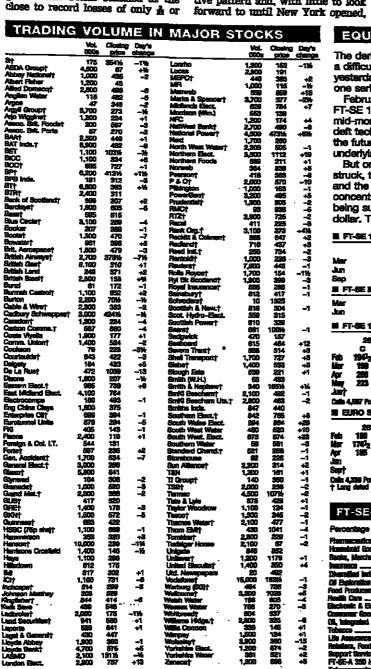
in properties, USM-listed

in August 1996.

17%- 2%

156 + 23

47312+ 612



EQUITY FUTURES AND OPTIONS TRADING

The derivatives market ended a difficult week with a whimper yesterday despite the expiry of one series of options.

February options on the FT-SE 100 expired mid-morning, prompting some deft technical trading in both the futures market and

underlying equities. But once the price was struck, there was no support and the market began to concentrate on the pressure being suffered by the US dollar. The FT-SE futures

contract explring in March slipped back and ended the day down at 3,044, barely changed on the day. In after hours trading, the

contract slipped further to

reach 3,036 with a little over

12,000 contracts changing hands. Meanwhile, options turnover of 47,595 lots was down on

Thursday's turnover despite the impetus of expiry. Among individual stock options, British Gas and Kingfisher were both actively traded. EL FT-SE 100 BIDEX FUTURIES (LFTE) 225 per full index point High Low Est, vol Open Int. 3058.0 3088.0 19194 57609

		Ор	en	Sett p	ice	Change	High	Lo	W	Est. vol	Open int
Mer		305	20	3044	.0	-0.5	3058.0	3033	LO	12121	57688
ðun.		305	7.0	3052	5	-1.5	3059.5	3048	5	557	12901
Sep		308	0.0	3077.	0	-0.5	3080.0	3080	LO CL	40	172
■ FI	-8E 1	FD 25	io par	EX FU	TUR	28 (LIFFE	9 £10 pe	r full inde	c poin	rt .	
Mar		343	5.0	3439.	٥	-	3448.0	3435	.D	268	3731
, kun		345			_					===	
	-SE 1			,3480. OPTROM	-	- FB (*304	3468.0 43 610 ca			250 nt	300
	-SE 1	00 142		OPTION	-	FE) (*304	4) £10 pc	er full incis			300
= F	26 C	00 M E	290 C	OPTION	1 (LIF 2050	7FE) (*304 3600 P C	4) £10 pc	r full inde 50 3 P C	x pol 100 P	3150 C P	3200 C P
mai Fi	26 C 19\$2	00 ME 50 P	290 C 447 ₂	DPTIO:	2950 2950	7E) ('304 360 C 442	0) £10 pc 0 30 P C	r full inde 50 3 P C	z pol 100 P 56	3150 C P 106	3200 C P
Feb Mar	26 C 1947 ₂ 198	00 aka 50 P 1 6 1	290 C 44 ⁷ 2	DPTION P C 96	2950 2950 2950 2 1	7E) (*304 3000 C 442 8 74	9 210 pc 3 30 P C 30 44	or full incis 50 31 P C 6 50 ³ 2 23	x pol 100 P 56 80	3150 C P 106 101 ₂ 1191	3200 C P 156 2 4 166
Feb Mar Aor	26 C 1947 ₂ 198 298	00 ave 50 P 1 6 1 18 ¹ 2	290 447 ₂ 547 ₂	OPTION P 0 94 10 11 271 ₂ 13	2950 2950 2950 2 1 2 1	7E) (*304 3000 C 44 ² ₂ 8 74 3	4) £10 pc 3 30 P C 30 44 83 ₂ 693 ₂	sr full incis 50 3° P C 6 50 ¹ 2 23 80 47 ¹ 2	sc poli 100 P 56 80	3150 C P 106 10 ¹ 2 119 ¹ 31 141	3200 C P 156 2 4 166 18 178
Feb Mar	26 C 1947 ₂ 198 298	00 aka 50 P 1 6 1	290 447 ₂ 547 ₂	OPTION P 0 94 10 11 271 ₂ 13	2950 2950 2950 2 1 2 1	7E) (*304 3000 C 44 ² ₂ 8 74 3	4) £10 pc 30	50 31 P C 6 50 ¹ 2 23 80 47 ¹ 2 94 76 ¹ 2	sc poli 100 P 56 80	3150 C P 105 101 ₂ 1191 31 141 501 ₂ 153	3200 C P 156 2 4 166

EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) 210 per full index point 2575 2225 2975 3025 3075 3125 3175 3225 180 119 69 19 33 31 51 131 151 1747₂ 6 136 12 90 21½ 55½ 38 31½ 62½ 15½ 95 6 136½ 2 162 185 21½ 145½ 32 112 47½ 83 55½ 55½ 93 49 123½ 26 159 15 195½ 176½ 5½ 12 1132 113 113½ 160 76 218½ Calls 4,330 Pois 12,184 * Und

1 rough cases extent tocomer		
FT-SE-A INDICES	S - LEADERS & LA	GGARDS
Percentage changes since D	December 30 1994 based on I	Priday February 17 1995
Humelooid Boods	Non-Francisis	Breveries
Consumer Goods +1.74 Oil, Integrated +0.92 Toberco +0.34 Life Assurance +0.23 Relation, Food -0.02 Support Services -0.20	1.27 1.25	Investment Trests

| Deg/12 | Veer | Div. Barn. P/E Xd adj. Total | Fab 17 chgeff | Fab 16 | Fab 15 | Fab 14 | ago | ykt/k ykt/k ratio | ykd Return 25748 24794 3529.3 27294 988.6 227784 2383.4 27894 4192.8 3294 1378.4 21785 3382.4 27894 4190.7 1979.9 1378.3 217785 1451.3 24694 1778.2 27294 884.5 14778 1422.8 24894 1778.2 27294 883.5 147785 1422.8 24894 1722.8 27294 883.2 147785 1788.48 317785 2080.57 24794 1383.79 3171292 1465.85 246794 1784.11 27294 61.92 1371274 FT-SE 100 FT-SE NAM 250 FT-SE NAM 250 ex law Transis 27294 37294 18/1/94 2/2/94 2/2/94 4/2/94 4/2/94 2/2/94 4162.6 4160.7 1778.3 1778.2 FT-SE-A 250 FT-SE-A 250 Higher Yield 17723.8 2094.98 2094.72 1784.11 FT-SE SmallCap FT-SE SmallCap ez lev Truck FT-SE-A ALL-SHARE E FT-SE Actuaries Day's Year Dist. East. PfE Xd adj. Total Fab 17 chgeff. Feb 18 Feb 15 Feb 14 ago yid76 yid76 railso yid Retarn High

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	Edvactive industries(7)	3378.86					2 2523.04				0.00		2792.46	5/9/94					982.30	20/2
	(id, integrated(2)	2677.11						254	'- <u>-</u>		0.00			27/4/84					850.20	26/7
16	Oli Espionetton & Proditi	4) 1915.67	+0.2	1912.63	1918720				_											147
20	GEN SICHSTRUS (276)	1804.59	-0.4	1811.61	1818.77	1820.9						929.13	22 52.8 6	2/2/94				2/2/94	988.19 538.30	
2T	Building & Construction	930,98	-0.6	986.55			1550.43				0.81		1500-10	8/2/94					954.86	
22	Building Matte & Morch	(21) 1692.50	-1.4	1717.27	1735.37	1748.84					0.20			24/1/84					579.50	
23	Chemicals(23)	2187,36	-0/	2195.67	2194.04						0.50		250.42	8/8/94				8/8/04 2/2/94	964.80	
	Dispraised industrials(17)	1788.01	-0.5	1796.66	1816.73	1815,7			6.84		3.06		2231.57	2/2/94		15/12/94		4/2/94	986.80	
25	Bectronic & Bect Equip	CS6) 1588.80	+0.1	1886.87	1880,48	1875.90	5 2208.63				201		2263.38	4/2/94		8 13/12/94				
	Bagingering(72)	1741.84		. 1742.16	1738,22	1738.12	2 1982.84				287		2011.17	2/2/94			2011.17 2516.85	2/2/94 8/8/94	995.68	
	Engineering, Vehicles(13)	2103.71	-82	2107.45	2122_48	21217	8 2452.13	4.75			0.18		396721 32(7)22	8894 18/394				18/3/94	973.20	
28	Paper, Poig & Printings	27 2710.21	-0.1	2713.19	2707.21	2712.5	2999.04		5.93		0.17		2024.96	4/2/04					980.60	
	(exties & Apparel(21)	1459.55	· —	. 1458.40	1459,18	14732	8 1972.85	4.B4	6.71		1.60									
		2837.10	-02	2843.29	2882.70	2855.06	2937.63	4.33	7.24	16.12	17.50			24/1/84			3000.00		957.50	
	CONSUMER BOODS(AC)	2148.27		2145.63			8 2232.41	4.45	8.58	14.06	10.48			197/94			2464.52		962.90	
	Breweries(15)	=====.			2588.77									24/1/04					967.50	
	Spirits, Wines & Ciclers)	2350.20	+0.1	235A.15	2358,78	2355.00					14.23			19/1/04					946.10 927.10	
	Food Producers(24)	2538.04	+0.2	2533.58	2548.84	2553.97	7 2594.14		- 6.58		0.45			18/2/84		7 12/12/94			972.60	
	Household Goods(10)	1598.47		1597.17	1606.76	1618.8	5 1868.73				0.56			1971/04						
	Health Care(18)	3505.05	·	. 35DL18	3524.64	3509.86	8 3133.49		6.18		257 0			10/2/95			4166.90		\$53.70	
	Pharmaceuticale(13)	3623.83	-14		3748.60	3731.0	S 4083.87	593	1025	10.86	0.00	826.62	4718.86	7/1/84	3128.7	1 24694	4/38.53	29/12/93	992.00	
35_	Tobecto(2)				1854.44	1857.90	2(43.80	3.44	7.48	16.27	478	\$13.56	2297.77	18/1/94			2207.77	19/1/84	944.90	
40	SERINCES(231)	1838.56			2254.03				13.82		1.58	788.45	3319.33	2/2/94				2/2/94	988120	
41	Distributors(82)	2248.24		التحبين . در دورو	2111.73						8.83	1042.00		17 <i>1</i> 2494	1994.1		2360.62		975.40	
42	piagra & Hotelac(29)	2082.64	-u.1	2718.97	2770.78	7774 M	3334.01		5.90		1.99			17/2/94	2628.3		33/8. 17	17/2/94	976.20	
	Media(43)	2711.75		2/103/	1770.18	1700.00	R 1620.11				254	1088.90	1914.20	19/1/94	1811.D	25/494	2238.20	28/1/93	917.40	
	Retailers, Food(16)	1765.32		1769.65	1//0.19	100020			7.73		7.47	823.41	1010.57	4/1/94		12/12/94		29/12/53	676.18	
	Patrigra, (spenaral(45)	1506.50		1014.48	1527.97	1477.10	1795.41		6.00		1.08	895,10	1888.43	229		15/12/94	1865.43	2/2/94	638'09	
	Support Services(SE)	7460.40		1467,41 2182,92	994848	2211.00	7702.05		8.00		332		255.36	3/2/84	27/84		2005.96	3/2/94	500.00	
-	Tourscort(21)	2177.39		218232	1908 03	1216.6	1343.50		4.62	29.18	5.42	1045.72	1386.53	10201	1130.6	21/4/94	243L30	16/7/97	983,10	144
51	Other Services & Busine	85(7) 11 <u>99.90</u>	<u> </u>						7.00	40.45	- -	834.36	2782.53	2/2/94	2100.6	24/8/84	2782.33	2/2/94	302.50	3/1
		2371.44	+0.2	2363.84	2385,98		2515.97		7,55		6.85			30/8/94			2754,74	.===:	905.30	
	AUTHER(21)	2002.87		2473.30	2482.21				10.15				2361.77	7/1/84	1681.2				294.90	
82	Bydricky(17)	2047.94			2050.76			5.66			0.00			2/2/34					802.53	
64	Gas Distribution(2)	1954.94			1981.01						0.13		2450.42 2126.79	3/2/94			2125.79	3/2/94	224.70	
66	(eleconomications(5)	1781.27	-0.1		1791,91	1796.72	2000.51	5.72	1 <u>2.70</u>	7.97	4.62	894.30	2124.11	325			LIZON	3204		_
68	Water(13)		_			1844.21	1815.69	400	6.98	17.33	4.80	1186.99	1870.30	2/2/94	1582.8	246/04	1870.38	2/2/84	63.40	13/12
-	HOH-FRANCIALS(RES)	1029,26	-0.2	1631.67				_=						4/2/94	2010.1	23/1/85	2737.13	4/2/94	9772.20	23/
		2133.23	-0.2	2738.98	2154,60	2141.4	2 250,73		9,51		2/2		2737.13	4/2/94				4294	953.88	
70	PHARTALS(119)	2794,48		2804.78	2835.84	2609.21	3360.49	4.45			4.85		2051.25 2051.65	2/2/94	2002.0		2001.09 2761.29	2/2/94	982.00	
71	Backs, Retail(9)	3079.62		3092.39	3111,22		3454.71		1.92		600	935.43 828.67		24744 2471794	1106.01				879.90	
	Benics, Mircharit®	1197.86		1202.45	1209.48	1210.4					8.57 0.00			(9/L84	2(86.6)		2021.37	197/84	967.78	
	BEGING (27)	2957.32				2340.50					211		227 9.3 5	4/2/94			2279.35	4/2/94	20.30	
		1858.13		1852.89			2191,78		503			798.63 .		4/2/04		13/12/94	2132.60	5/6/89	718.40	
77	Other Page (1972)	1572.28		1368.73			1811.03	4.39	7.78	18,11	0.87		_							
	Property(46)						302422	2.40	208	48.59	5.00	583.04	318 1.3 1	22/04	22.1	29/1/85	3184,31	2/2/94	977.28	14/
	MARTINEERT TRUETS(1:	33) 2608.5 5	-		2627.47				7,18		340	1199.41	1784.11	2/2/94	146.5	24/8/94	178L11	2/2/94	81,52	13/1
	and all management	7) 1506.80	4	1508.59	1518.38	1518.21	1703.02		1,10									81/65	1710	_
59	FT-SE-A ALL-SHARESST			980.54	921.90			294	-	_	242		1902.80	9/1/95 11/1/86	976.63		1802.88		171.65	
5	A Fledging	978.83					2 -	2.10	-	-	256	<u>982.18</u>	1005,18	ı il IMB		1//2/65	1005.13	111 (123)	وسوس	1112
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	TOWN TO SERVE	بسرون			*	049.9	3047.			148.8 134.0		58.0 0.88	3438.1		3437.8		7.2	3438.6		430.E
_			-	9049.4								-			1523.4	152		1528.6		
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-SE	100 Mid 250	3053.5 3438.4 1526.6	l 1		84								1524.7		1923.4					524
-SE	100 Med 250 -A 350	3053.5 3436.7 1525.0		3430.6 1621.1	14	624,4							1524.7		19234					021.
-SE	100 Med 250 -A 350	3053.5 3436.7 1525.0		3430.6 1621.1	14	624,4	1523.	.0	15	24.1	15	25.4	٠.	LDO			icee	Previous	, Ca	
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1-SE 1-SE 1-SE	: 100 : Mid 250 :-A 350 :FT-SE 100 Mg/s: 10.21 :T -SE Actuer	3053.5 3436.7 1526.1 em Love 8.54em les 350 h	ndu	3430.6 1621.1 stry b	94 14 10,00 888,1	624.4 bs	1528. 11.00 858.7	120	15 00 7.0	13.	15 00 17.4	14.00 687. 8486.	11 4 8 9 34	87.4 66.8	16.1 861 3475	10 C	969.1 474.8	875.5 3473.1		-6.4 +1.5
- SE - SE - SE - SE	100° Mdd 250° -A 350° (FT-SE 100 Mgh: 10.21° T-SE Actuer 6 Criston	3083. 9498. 1826. em Love 8.54em es 350 Îl Open	ndu	3430.6 1621.1 1621.1 1621.1 1621.1 163.8	8478.7 3478.7	624.4 1 7 8	1528. 11.00 888.7 3474.8	12.0 851 3474	7.0 4.7 3.7	18.1 65 347 174	15 00 77.4 78.5 17.9	14.50 867. 3486. 1747.	14 8 8 34 4 17	87.4 66.8 47.2	18.1 861 3473 1746	10 C	989.1 474.8 748.0	875.5 9473.1 1748.6		-6.4 +1.5 -2.6
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Recs busy after bid defence

All the regional electricity stocks took heart from the defence document issued by SG Warburg on behalf of Northern Electricity, although some showed signs of running out of steam towards the close.

Dealers noted suggestions in the market that Swiss Bank Corporation has followed up its sale of almost 4 per cent of Northern Electricity with sizeable sales of other electricity stocks. SBC announced that its holding in Northern had been reduced to less than one per cent, from a high point of 5.33

SBC built up an 8 per cent stake in Yorkshire Electricity late last year, as well as acquiring holdings in numerous other electricity stocks. The holdings were bought as part of Swiss Bank's normal marketmaking activities.

Northern's defence document included proposals for a 150p a share special dividend, a bonus issue of preference stock, worth, it said, 100p a share plus a valuation of 257p a share of its interest in the National Grid.

Analysts said the details came as no real surprise and most adopted the view that Trafalgar would have to increase its bid. Some said an offer of £11.50 could be sufficient to win the day, while others insisted £12.50 would be needed to ensure success.

Yorkshire, regarded by many as the sector's most likely bid target, eased 2 to 874p on turn-over of 1.2m. Northern closed 19 higher at 1112p, after 1130p; turnover was a hefty 5.5m.

Other recs to attract heavy activity included East Midlands, which closed unchanged at 764p after 4.im shares changed hands. Seeboard, another old favourite - Electricite de France has been labelied a potential predator added 15 at 464p while other big gainers in the market were Manweb. 18 higher at 8590 and South Wales, up 28 at 884p.

Wellcome firm Takeover target Wellcome gained à to 1028p as a High

to the local villages are

NEW HIGHS AND LOWS FOR 1994/95

HECHA (1) Scottish Rod, Cil., INTEGRATED (1) Norsk Hydro, PAPER, PACKO & PRINTG (1) Tineley Robor, SUPPORT SERYS (1) Sega, TRANSPORT (2) Badgerine, Qo-Ahead.

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Dealers spoke of several large lines of stocks on offer in the water sector, notably in Anglian Water and Wessex.

NEW HIGHS (17). NEW HIGHS (17).

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Court decision gave some leverage to the view that a counter-bidder might be found. The High Court ruled that Wellcome Trust, the charity which holds 39.5 per cent of Wellcome shares, now has until March 8 to accept Glaxo's offer to buy the stake. This gives the Wellcome company a

further eight days to find a "white knight" to top Glaxo's £9bn plus bid. Most pharmaceuticals experts believe the deal is a fait accompli. However, several traders have been speculating on the possibility that Zeneca might enter the fray and yesterday there was speculation of a higher joint offer from Zeneca and Pfizer of the US. Zeneca shares recovered 3 to 898n after recent weakness and

Glaxo was flat at 641p. with some of the big institu-

tions said to be keen to lock in ... CHIEF PRICE CHANGES profits after the recent strong showing. Anglian settled 5 off at 480p and Wessex 3 to 270p.

17.33

8.70

2.13

(8.68)

3044.0

The oil exploration sub-sector provided the market's best performer in Hardy Oil & Gas, whose shares raced up 23 to 156p, their highest closing level since May 1994. Turnover of J 5m was the highest in a sin. gle session since last Novem-

The upsurge followed recent reports of significant upgrades of the Elgin gas condensate field in the North Sea and further indications of a potentially important oil discovery in the Timor Sea.

Smith New Court, a keen supporter of the stock since last November, said the good news from the Elgin field is likely to see a reappraisal of its net asset value for Hardy, from the current 160p a share to the 170p-to-190p a share range and that the share price deserves to match that figure."

British Biotech, fell 99 to 491p after announcing a serious setback in the development of batimastat, a new cancer treatment. However, Dr Erling Refsum of Yamaichi said: "It is only a year's delay. It does not alter the company's

standing.' Kingfisher was 6 lower following a cautious note from NatWest Securities. Bargain hunters helped Rank Organisation pain 61/2 to 373p after a poor week which saw the shares slide 5.8 per cent following a company presentation to T&N hardened a penny to city analysts.

NatWest Securities remained negative on the stock and urged investors to reduce holdings, saying "the stock remains overvalued". Bid talk was once again

heard for United Biscuits. The shares hardened 4 to 350p, with Hoare Govett reported to have shown a keen interest in the

Allied Domecq lost 6 to 498p, after BZW was reported to have downgraded profit expectations. Greenalls Group was 7 better at 515p, after it cheered the market with a positive trading statement.

Among food retailers, a two way pull was seen in Argyll Group, after the company published a trading statement in line with market expectations. The shares shed 1/4 to 273p in trade of 3.7m.

Several brokers downgraded

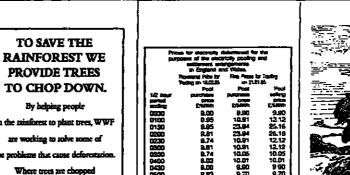
Continued profit taking in GEN together with poor sentiment following this week's resignation of the head of its defence businesses saw the shares lose another 5 to 572p.

man piston maker.

Bid speculation for Meggitt once again drove the shares forward and they closed 4%

ahead to 82%p.
Tobacco and insurance conglomerate BAT Industries slipped 9 to 432p as NatWest turned seller.

Telegraph, the newspaper group, rose 16 to 380p. West-minster Healthcare improved 12 to 305p with dealers pointing to a buy recommendation from BZW.



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INVESTMENT TRUSTS - Cont.

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FINANCIAL TIMES WEEKEND FEBRUARY 18/FEBRUARY 19 1995 **LONDON SHARE SERVICE** ENVESTMENT TRUSTS - Cont. TRANSPORT - Cont. 1: 4 : 11: 4: 11: -54 WATER - 1994-95
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FINANCIAL TIMES

Weekend February 18/February 19 1995



Security concession aimed at pushing forward Irish peace process

UK lifts Ulster banning orders

John Murray Brown in Dublin

The UK government yesterday attempted to give the Northern Ireland peace process a final push before today's Anglo-Irish talks in Dublin by lifting 10 exclusion orders under the Pre-

vention of Terrorism Act. Sir Patrick Mayhew, UK Northern Ireland secretary, said that "security advice" indicated there was no longer any need for the orders, which were mainly intended to stop unnamed republicans entering the province from the Irish Republic.

Mr Michael Howard, home sec-retary, said that a further 56 exclusion orders preventing unnamed terrorist suspects from entering mainland Britain from Northern Ireland were being

Sir Patrick's announcement

Ex-ministers

join UK row

over Europe

to a referendum on whether ster-

Continued from Page 1

appeared intended to satisfy Irish vinces me that there is a very calls for security concessions real threat of terrorism concalls for security concessions before he meets Mr Dick Spring, Irish deputy prime minister, for a final round of talks on a framework document for all-party talks on Northern Ireland. His decision to lift the orders

conflicted with advice from Mr John Rowe, QC, a leading barris-ter appointed to review the Prevention of Terrorism Act and the Northern Ireland Emergency Powers Act. Mr Rowe said yesterday that exclusion orders should be retained because there was "proof" that they had disrupted errorist plans.

In comments that will be seized on by Ulster Unionists, Mr Rowe said the government should keep almost all its emergency anti-terrorist powers except internment despite the open-ended IRA and

nected with the affairs of Northern Ireland," he said. "Extortion and blackmail, and intimidation, and the collecting of funds, all for terrorist purposes, still goes on since the ceaseffres, and for that reason alone these powers ... are

In Dublin, Mr Spring said the lifting of exclusion orders was part of the peace dividend. Dub-lin has lifted its own emergency legislation and released republican prisoners in an effort to maintain the momentum of the

Mr Ian Paisley, leader of the hard-line Democratic Unionist narty, accused the government of giving in to terrorism. Mr Gerry Adams, Sinn Fein

president, subject to an exclusion order until last year, said that all

likely to be approved today, paving the way for publication soon at a summit between Mr John Major and Mr John Bruton, the Irish prime minister.

Officials said Sir Patrick would

report to the British cabinet next ek. A summit is likely to follow quickly, probably in London and possibly as early as Friday. Mr John Major yesterday sought to calm unionist fears about the document. In a letter to three leading UUP MPs he said proposed cross-border institums would be answerable to a Northern Ireland Assembly.

Mr Major also promised the

MPs: "I fully support the Union. It is in no sense my aim to see it dismantled. The papers we put forward will be neither a unionist nor a nationalist agenda, but fair and balanced proposals as a basis

German cartel office warns

By Tim Burt in London and

ling joins a single currency.
In a speech to Sutton Coldfield Conservative Association in West Midlands, Sir Norman said: "He [Mr Clarke] is one of the strongest ministers in the government. and ... a notably loyal colleague . . . It is entirely ludicrous to describe his comments on the German, components group. single currency as some kind of

internal party plot."

Meanwhile, Sir Leon Brittan, the former trade secretary and current vice-president of the European Commission, said that if the UK stayed outside a single European currency, "we would pay an interest rate surcharge as

Mr Clarke, on a visit to Wales, denied he had differed with Mr Major over the constitutional implications of a single currency. even though Mr Major has ordered an end to public debate by cabinet ministers of this issue.

Germany

Continued from Page 1

affected by a strike.

present claim will take part in next week's vote. IG Metall's

regional office in Bavaria said

members were likely to provide the majority needed for a strike.

had spoilt any chance for a last-

minute employers' offer by set-ting an ultimatum that expires

on Monday, when the strike bal-

Europe today

moves across the area.

Greece and Turkey Five-day forecast

and northern Spain.

Wet and windy conditions are expected in Ireland and Scotland as an active disturbance

In Western Scotland there will also be severe south-westerly gales. Sun, cloud and showers are expected in Denmark, the Bensiux and northern France.

gale force in the Riviera region.

The Balkans and central Italy will have rain.

The British Isles, the Benelux, Germany and

eastern Europe will continue to be unsettled.

Spain, Portugal and Italy. Later in the week rain is expected in Portugal

A band of rain will move through south-east Europe on Sunday, but clear skies are

expected by Monday in the Balkans.

These regions will have rain and cloud.

Sunshine will prevall in southern France,

High pressure will dominate the eastern Mediterranean bringing plenty of sunshine to

lot starts.

Mr Schneider said the union

Britain's T&N on takeover

Andrew Fisher in Frankfurt

T&N. the British engineering group, suffered a setback yesterday in its efforts to become the world's leading piston manufacturer when the German cartel office said it would probably reject the UK company's planned takeover of Kolbenschmidt, the

The cartel office warned in a preliminary judgment that T&N's proposed DM282.6m (\$184.7m) purchase of a 52.5 per cent stake in Kolbenschmidt would give T&N undesirable dominance of the German market, the largest in Europe.

However, T&N said it would press ahead with the acquisition and make fresh representations to the cartel office in Berlin

before the March 3 deadline for submissions. A final ruling is expected before March 13.

If the deal won approval, T&N would have 70 per cent of the German market for friction bearings and more than two thirds of piston production. It would rival Mahle of Germany as Europe's leading piston maker. Expressing confidence that it

would persuade the authorities to change their mind, T&N noted that the cartel office had made a similar judement before approving its DM250m acquisition of Goetze, Germany's leading piston ring manufacturer, in 1993.

Such acquisitions have been a central plank of T&N's efforts to expand away from its former role as Britain's largest asbestos producer, when it was known as

Unlike Goetze, Kolbenschmidt regarded T&N as a hostile bidder. It has campaigned aggressively against the deal since last September, when the UK group first announced it would buy a 52.5 per cent stake, including a 24.99 per cent holding acquired by Commerzbank on its behalf. In London, several analysts

welcomed the cartel ruling. Mr Rob Golding at SG Warburg said would relieve pressure on T&N's balance sheet, already stretched by 70 per cent gearing. His view was echoed by Mr Sandy Morris at NatWest Securities, who urged the company to concentrate on its existing business to win market share from Kolbenschmidt. T&N's shares closed up 1p at 161p.

Northern Electric begins fight against hostile takeover bid

By Peggy Hollinger in London

settlement. Also, many Bavarian Northern Electric, the British regional electricity supplier, yesterday launched a surprise companies now had full order books and would be badly defence to the hostile £1.2bn aria employ some 700,000 people, ing company Trafalgar House, roughly half of whom belong to IG Metall. But only the 165,000 which could unleash a radical financial restructuring of the members whose wage contracts are immediately affected by the

electricity industry. Northern unveiled a package of financial incentives, which it said was worth a net £5.07p per share, aimed at persuading sharehold-ers to reject the bid. Although it would leave the company with substantial debt. Northern said it would still be able to increase the dividend by 33 per cent this year

and 13 per cent in 1996 and 1997. Northern's last-ditch defence appeared to have won over the

market, with the shares jumping sharply above Trafalgar's cash offer price of £10.48p. They closed 19p higher at £11.12p, as analysts and institutions speculated that Trafalgar would have to respond

Northern's tactics to force other regional electricity companies to accelerate their plans to return value to shareholders. Northern is proposing an

Investors were also expecting

between £11.50 and £12 a share.

unusual bonus preference share issue, underwritten for cash and worth a guaranteed minimum of Shareholders would also

receive a special dividend of £1.50, and a further payout of £2.57 arising from Northern's share of the National Grid, the

FT WEATHER GUIDE

the 12 English and Welsh electricity companies which is likely to be demerged later this year.

Northern's proposals are expected to mean a severe squeeze on tial job cuts at the utility, which is already planning to reduce its workforce by 800 to 3,700.

Trafalgar dismissed Northern's defence as shuffling money from one pocket to another. Mr Nigal Rich, chief executive, said: "Northern is saying it will give you your own money to allow the same management with the same strategy to run the same com-

Northern's rocket sends shock waves, Page 5

THE LEX COLUMN

Northern gears up

change the new manufacturing pro-

cess for hatimastat, the group's most

advanced product. If it is the process

rather than the drug itself that is causing the side effects, then batimas-

tat's launch need only be delayed for a year. More serious would be if the

medicine itself proves intrinsically

toxic. Most damaging would be if bati-

mastat's class of drug proves danger-ous: that would be disastrous because

the company is developing other treatments using the same technology. Then the whole investment case for

British Biotech crumbles.
For the moment, the least damaging

theory looks most convincing. But

the shares stay under 5250, shareholders will not exercise their warrants early in 1996. The group would then

require a rights issue to avoid running

The consequences for the rest of the

fledgling UK biotechnology sector are

considerable. British Biotech is the

industry's flagship, the largest group with the most advanced products. Its

problems will remind investors that

this is a high-risk, high-reward, busi-

ness. It should also make them more

selective. Large groups are inherently

less speculative because of their broad portfolic: if one product fails at least there are others in the pipeline.

Amid the brouhaha over underwrit-

out of cash.

Rights issues

1377.8 (+5.8)

concentrate a management's mind. In its attempt to escape Trafalgar House's clutches, Northern Electric is proposing to squeeze every last penny of value from its business. Shareholders will receive a package of goodies mega-dividends, preference shares and Northern's stake in the National Grid worth 507p a share, and will still be left owning the basic utility. Unless Trafalgar increases its offer, Northern will go free.

The essence of Northern's package is gearing. The company is not just paying a 150p special dividend, which could push gearing to an astonishing 225 per cent. S.G. Warburg, its adviser, has also produced a novel instrument an underwritten bonus prefe share worth 100p a share. This is really a disguised form of gearing: though it will not add to Northern's reported gearing, financing charges will rise.

One effect of gearing is that North-ern will have to run a tighter ship. Capital expenditure and operating costs will be cut. Northern has also had to abendon ambitions to diversify. All this is good for investors.

Such gearing may seem risky, but it is not. The 225 per cent figure is only a temporary peak, brought about by the timing of £100m of advance corporation tax payments associated with the financial goodies. More importantly, Northern should be able to pay its interest charges and preference dividends comfortably.

But there may be no cash left over to increase dividends beyond the 41p net (51p gross) promised for 1996-97. There is also the risk that, if an incoming Labour government imposes tighter price regulation, the dividend could be cut. It would therefore be rash to place a high value on the

However, even if one thought the rump in 1996-97 should yield 9 per cent gross, it would still be worth 570p. Add that to 507p for the financial goodies and Northern has come up with a package worth more than Trafalgar's 210.48 offer. This does not guarantee Northern's independence, as Trafalgar can afford to improve its offer. The difficulty will be in deciding what is the minimum it can get away with.

UK biotechnology

There is no denying British Biotech ing fees, it is sometimes forgotten that has suffered a significant setback. The companies can hold rights issues withquestion is the extent of the damage. At very least, the company must out paying such fees. The way to do this is to issue new shares at a deep

discount to the existing share price. The greater the discount, the less FT-SE Eurotrack 200: likely it is that stock market gyrations will knock the issue off course. The need for costly underwriting thus becomes superfluous.

Companies are strangely reluctant to go down this route. Part of the reason is pride: an oft-voiced view in the City is that only companies unable to get an issue underwritten raise equity capital this way. Finance directors also worry about the impact on dividends, as the number of new shares to raise a given amount is higher in proportion as the discount is desper. But over-distribution occurs only if the nominal dividend is maintained. There is nothing to stop companies chopping the dividend per share while maintaining the total pay-

Another, more tangible problem is that the deep discount can crystallise a capital gains tax Hability for those investors obliged to sell their nil-paid rights to finance the purchase of new shares. Those who suffer from this most are private investors, rather than institutions which either have the cash to take up the new shares in full or are tax-exempt. The government could eliminate this hurdle by granting tax exemption on investors' sale of their rights, insofar as that sale allows them to take up enough new shares to maintain their economic interest in the company.

until clinical trials demonstrating the T&N/Kolbenschmidt drug's safety are completed next year, the stock will remain under a cloud. If

T&N may have lost the first round in its battle to acquire German piston manufacturer Kolbenschmidt, following the preliminary decision from Ger-many's cartel authorities. Shareholders should be relieved. The deal may offer longer-term strategic benefits, as it absorbs a competitor in T&N's weakest market. However, T&N's piston operations have been steadily winning market share from Kolbensch-midt. If T&N cannot join it, there is every chance that it can beat it over the longer term, without too much

pressure on margins.

Ten would not have to absorb Kolbenschmidt's debt pile. As Ten also plans to cut its dividend, concerns over T&N's stretched balance sheet would subside. The group could refocus on generating cash from existing businesses to provide a cushion against further asbestos claims. The fight for Kolbenschmidt may not be over, but the best thing for T&N's share price would be defeat.

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Southern France, Soain and Portugal will have sunny akies accompanied by mistral winds of Wind speed in KPH SUN Shower fair fair cloudy sun cloudy fair cloudy fair cloudy fair cloudy tair 33 0 29 16 18 7 32 2 8 22 17 20 10 7 11 10 7 9 9 sun sun feir cloudy feir sun ahower cloudy cloudy cloudy shower feir feir sun sun sun fair shower fair shower rain cloudy fair shower fair sun fair sun fair Harrigoon Reyldeville Riche S. Fraco Secul Straspore Strokholr Strasbous Sydney Tangler Tel Astr Totyo Toronto Cardiff Casable Chicago Cologne Delas Delas Delbi Dublin Dublin Dublin Vancou Vanice Vienna Washin Washin Walling Our service starts long before take-off, Lufthansa



Weekendfil

The great game fish is threatened on all sides. Tom Fort asks whether it is leaping to extinction - or swimming to recovery

The longest journey for the noble salmon

salmon are coming home to the rivers of their birth: to Russia and Asia, to Scandinavia and Iceland, to the British Isles, France, Spain and even the northern tip of Portu-gal, and along the northern Atlantic seaboard of America. It is one of the world's great compelling journeys, that of the Atlantic salmon back to the flowing water where it metamorphosed from egg to

alevin to tiny fry.

Those that complete the journey will have overcome man's greed, pollution, and the depre-dations of pirate fishing boats, which have threatened the king of river fish almost with extinction. However, this year there are heartening signs that in Britain the salmon is fighting back, helped, in some localities by growing pressures for

Only a few years ago, there salmon. Sentence had been passed in the 1960s, when the mystery of where the Atlantic salmon went after it left the rivers for the sea was solved. The discovery of its feeding grounds off the coasts of Greenland led to a murderous free-for-all by driftnetters.

Those that did make it back faced more netting in coastal waters, yet more netting in estuaries and rivers and then pollution, river obstructions. lisease, poaching, and armies of anglers intent on their own depredations.

At least the angler knew what was happening and protested; for his love of the salmon is, in a way incompre-hensible to outsiders, indivisible from the pursuit and killing of it. The rest of the world was largely indifferent. But in time, the anglers' cries of outrage were taken up by conservationists, and then found a wider audience. Wholesale netting at sea was outlawed by treaty, agreed between the countries which formed the

he great migration North Atlantic Salmon Conser-has begun. From vation Organisation (Nasco) in 1984. Angling interests began to raise money to buy out estuary nets, setting a precedent for the North Atlantic Salmon Fund, the charity set up by the Icelander Orri Vigfusson. which has secured moratoriums in the Faroese and Greenland fisheries in 1991 and 1994

> Economic pressures also began to turn in favour of the wild salmon as the salmon farming industry in Norway, Scotland and Ireland grew rapidly. The fish which had once been an expensive luxury

respectively.

One question remains: has the decline of the great salmon runs been caused by torces of nature?

became cheaper than cod. Many people realised that the fish was worth more alive than it was in a tin or on a slab. A glance at the catches for

British and Irish rivers in 1994 provides evidence that a slow, faltering but unmistakable revival is in progress. A few Scottish rivers, notably the Conon and the Beauly, had record or near record seasons. Most of the acknowledged pre-mier rivers, including the Spey, the Tay and the Tweed, held their own, without approaching the golden days of the 1960s and 1970s.

The top Irish fisheries, the Blackwater and the Moy, continued to be reliably prolific, while one or two English and Welsh rivers - among them the Eden and the Welsh Dee gave notice that decline was not necessarily irreversible. Figures for the last four years suggest the salmon are returning in increasing numbers. But the fish are still beset by many dangers. For each river where the anglers were smiling, there was another where the air was heavy with lamentation. And there are some obvious general reasons:

☐ The British government still refuses to stop the drift net fishery off the northeast of England, although drift netting was outlawed in Scotland and almost every other civilised country 20 years ago. The Irish government also refuses to stop its west coast fishery. which accounts for perhaps 300,000 fish a year which would otherwise reach English and

continental rivers. □ No action has been taken against industrial fishing for sand eels, which, instead of providing food for fish, are being turned into fertiliser, fish pellets, and heating oil. ☐ No measures are being taken against the predations of

☐ The authorities, by bowing the culling of seals, have allowed the seal population to grow rapidly.

The English Crown Estate Commissioners persist in granting licences to net return-ing salmon in the estuaries. ☐ And salmon farming remains inadequately regu-

In some places, notably Iceland and Canada, rigorous protection measures have proved that the decline of the salmon can be reversed. But in the southern Baltic the salmon has been virtually wiped out. Its survival in Portugal, Spain and France is precarious, pollution and hydroelectric projects (not overfishing) having wrecked so many of its nurturing rivers.

In a quarter of the rivers of Norway - a promised land for

fisherman because of its super

the salmon has had to be exter minated because of an invasion by a parasite, Gyrodactylus, which devours the young part. Norwegian fishing has also suf

fered from the side-effects of

the vast, state-sponsored

Millions of these fish have been permitted to escape, and it is estimated that on many Norwegian rivers, 90 per cent of the salmon population originates from farms. No one knows what the impact will be of interbreeding between captive and wild stock - "genetic

will be impaired. On the other side of Scandin-avia is the almost virgin territory of Russia's Kola peninsula, which has replaced Norway as the salmon fisher's Mecca. Here, as Dr Malcolm Windsor, secretary of Nasco explains, the rivers have been

pollution". But it could be that

left to themselves. There is no pollution, no ple, no organised netting at sea, no restocking, no farming. Man has stayed his interfering hand, and the salmon flood in, providing fishing of incompara-ble quality. It is exploited with best conservation practices, for the benefit of Americans and western Europeans whose cur-

rency is properly appreciated. The reverse side is a growing resentment among the local population at their exclusion, often brutally engineered, from their own heritage. Although the slaughter on

the high seas has been outlawed, it has been continued illegally by pirate ships, mainly Danish vessels reflag-ged by the Poland or Panama authorities. The pirates have

Continued on Page IX





civilised, liberal and very

Perspectives: The tradition of soldiers who shoot crystans

Motoring: The dangers that he behind your

Sport: Grand slam or bust, why rugby's showpiece must change X



America's history Weekend Inves pages of tacts and figures XVII-XX

Bridge, Chess, Crossword . Gardening How To Sp

Rebecca Stephens climbs the highest peaks



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Joe Rogaly

The little England team

Soccer hooligans have strange bedfellows under the national flag

he principal attribute of football is that everyone has an opinion on it. In this it is like politics, only more important. We know the highest form of a classic discourse on soccer. The scene would play well at Covent Garden. You place your elbow against the bar, take a long draught, wipe the foam from your lip, open your mouth, and give forth words, some of them printable. It is in that spirit that I, a long-ago supporter of Arsenal but no frequenter of the grounds, try to make sense of the riot on the upper terrace at Lansdowne Road, Dub-

lin. on Wednesday night. Let us get the basics out of the way first. The thugs who forced the abandonment of the Ireland v England international were, it seems, English, although to what extent that rough-and-ready definition encompasses inhabitants of the celtic fringes of the British Isles is unclear. This is not to say that there is no hooliganism in the stadiums of other countries. It has erupted most recently in Italy, where foothall is of such national importance that Silvio Berlusconi used his Forza Italia fan clubs and his TV stations as a springhoard for his successful bid to become prime minister.

France is not free of the afflic-Yet I can find no convincing

liganism, not one that covers all nations. Let us therefore confine today's harfly perora-tion to the British sub-species. Many though not all fans are young single men. One part of such a crowd may be gentle, interested in the game, pas-sionate about its team, but inherently non-violent.
Another section is, shall we say, rumbustious. A further fraction, not invariably a minority, is undisciplined, prone to excessive drink, illeducated, wild, aggressive, threatening, positively nasty. On your way home you do not linger when these menacing figures are around.

Menacing? Perhaps that is too vague. According to one report this week, James Thompson, serior lecturer in psychology at University College, London, characterises the crowd-muggers as working class, poorly educated, low achievers, right-wing and strongly pack minded. But what about middle-class anarchists? I tried another academic, Tony Mason of Warwick university. He is a historian, who has written about sport history. He spoke of a British football subculture, with an especially

aggressive macho style. The emphasis, says Mr Mason, is on the physical side of the game, its shoulder-charges and head-on tackles.

football apprentices is hard, bullying, rough. This he-man attitude, he tells me, has long caused misunderstandings in international matches, going right back to Tottenham's visit to Argentina in 1909. Explanations of this kind

have been sloshing about since Wednesday night. The two I have cited are not mutually exclusive. They add detail

Where better than excitable crowds for neo-fascist cells to start trouble?

to the general picture, which is of ill-taught and possibly unemployed young bloods gathered in excitable crowds. Where better for organised neo-fascist cells to start trouble? Professor Eric Dunning. of the centre for football studies at Leicester University, says that the violence at Lansdowne Road was a coordinated and premeditated attack by a hard core of far-

right wing activists. They have been involved in soccer violence since the 1970s and have seen football as a useful recruiting ground. It is

general theory of football hoo- He believes that training of an ideal setting for an expression of their extreme racist/ nationalist views," the professor is reported to bave said. We must pause here to note

> an irony. At the beginning of this week there was a flurry of political pronouncements about immigration. This was accompanied by much bandwringing to the effect that the government could do nothing to stop the wicked Europeans from tearing down the passport controls that protect these islands from an imaginary flood of people who long to live in Europe's rain-soaked

> The primary source of this supposed influx was typically given as eastern Europe, but that was a thin disguise for what was truly being said. We know what that is. For "Immigrants" read black or brown entrants to Britain.

offshore islands.

The border-control scare was puffed up by the Tory tabloids. That is what is now so ironic. The newspapers that banged the nationalistic drum on Tuesday and Wednesday screeched in shock and horror when they reported the effects of ultra-nationalism, anti-Irish hatred, and extreme chauvinism on Thursday and Friday. As an outburst of xenophobia the entire episode was pretty standard stuff.

It was probably not strong enough to upset the undocumented British concordat on

race relations, the one rarely spoken of but concluded many years ago. The invisible signatories are the average voter and the leaders of the mainstream parties. Its terms are that immigration will be curtailed, in return for which good race relations will be fostered by the government of the day. The prime minister alluded to it in the commons on Tuesday.

This phantom agreement could be destroyed by repeated assaults upon its terms. I am not saying that the Sun ("Sick Scum") or the Daily Mail ("Back in the Gutter Again") are insincere in their headline condemnation of the disgraceful behaviour of some England soccer "fans" in Dublin. These papers were clearly as horrified as anyone

at what happened. What puzzles me is that those right-wing Conservatives and their supporters who pull the flag tightly around themselves apparently fail to see any knock-on effect downmarket. An elegantly-written speech or article by this or that Tory MP would not scan if chanted on the terraces, but its import, heard by foreigners, would sound familiar. Which MPs? You and I and they know who they are. Patriotism is honourable, in moderation, but those who profess it should not allow it



At a time when instruments unerringly cope with Mach 1 flight data, continued improvements to the mechanical chronograph simply underscore that there's more to time than technology. A movement's intricate beauty or a hand-polished case's lustrous gleam do put technological progress in a broader perspective.

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Learning to put the best face on things

Stephen Court on the ups and downs of a stage make-up school

t first glance, Julia Cruttenden appears to be running a dental laboratory. Plaster moulds of gums and teeth litter the tables. But then there are the foam rubber noses, the lumps of gelatine scar tissue and the latex head caps. Upstairs there is hair: wigs of every description, and beards and moustaches made of yak

Cruttenden is the principal of Greasepaint, a school of stage, television and film make-up. The name is appropriate. The place is pervaded with the warm oily smell of theatre dressing-rooms.

The main courses run by the school, which is based in west London, are in make-up, hair styling and prosthetics for stage and screen. There are also courses in make-up and hair design for fashion modelling. The school has plans to teach body-painting.

Cruttenden, who is 56, trained at the Leichner make-up company before joining the BBC as a make-up artist. She says: "I left the BBC to start a family. The teaching started when I went round the country giving lectures on

Cruttenden began Greasepaint with one other teacher in 1979. The school initially ran three six-week courses a year with places for five students on each course.

Overheads were low, and Cruttenden did all the administration. She says: "You have

got to have a lot of energy and be prepared to work all hours at the beginning."

Questors Theatre in Ealing which charged rent of around £175 a week. Fee income was £4,500 in the first year. The school did not make a profit until the mid-1980s.

One of the main costs in the early days was make-up kits for the students. The basic kits, which cost about £300 each at today's prices, were provided for each student by the school. Cruttenden says: "Make-up would be borrowed by students and not returned. For every course we replenished the kits. We lost thou-sands of pounds." The cost of kits is now included in the

When Greasepaint began outgrowing the theatre, Crut-tenden looked for bigger prem-ises. After two years, she found the ideal site - a former joinery workshop with its own courtyard. She took a 15-year bank loan of £300,000 in 1989 to buy and convert the two-storey building into a school with individual dressing-tables for the students, an oven for making prosthetics moulds and a television studio where students could test their make-up

signs under stage lighting. Taking the loan was a daunting step for Cruttenden, who was the sole borrower. The bank said the money was all on my head. They made me have an extensive medical. Being physically fit stood me



in good stead," she said. The school has about 45 students a year on the three main three-month courses. There are also weekend introductory courses, fashion courses and Turnover was £209,000 in

1992-93, with a pre-tax profit of £16,000. The main items of expenditure were staff (£83,000), printing, postage, sta-tionery and advertising (£31.000). loan repayment

Cruttenden says her school has grown because of the intensive nature of the teaching and the range of modular course it offers. The most worrying time was in early 1993 at the tail-end of the recession, when student numbers dropped by two-thirds. Since then, numbers have recovered.

duction companies.

suit, the dia-monds on his

gold Rolex watch

students are recruited through personal recommendation, the

st through advertising. Fees for the three-month course are £6,000, which puts studying make-up on a par with the cost of training to be a doctor or dentist. The staff to student ratio is low and materials are a big part of the outlay. Students can apply for a career development loan from

A number of alumni have gone on to work for regional and national theatres, and for BBC and Sky television. For Cruttenden, the greatest reward comes from seeing for-

for the school." Ave, London W13 9QT. Tel:

Books for beginners

Peter Robinson offers an easy way to keep track of your company

f the hundreds of businesses which start up every year. a large proportion are destined to fail - leaving their proprietors scratching their heads as to what went

Time and again the failure of a business is due to poor financial control - or no control at all - and a lack of awareness by the management of the company's true finan-cial position.

Many self-employed people and proprietors of small busi-nesses find themselves in financial trouble simply because they do not keep proper financial records.

Accountancy is for accountants, book-keeping is for book-keepers, but the record-ing of business transactions is for everyone in business.

For the self-employed and for proprietors of small busis, these transactions can be entered in a standard analysed cash book, petty cash book and perhaps a day book. The next stage is to transfer the totals of these columns to a form like the one shown below. I call this report a "Robinson Report" which I give to my clients at the end of

You can see that it has most of the financial information on it needed to see how the busi-

ness is performing.

Most people in business –
from the self-employed to proprietors of small to medium sized businesses will be able to work out from this report what their current cash posi-

They will be able to see how much money they owe and how much is owed to them and for how long. They will also be able to see what profit or loss the business has produced, the percentage of gross profit and net profit on turnover as well as other important financial information.

All this information can be gathered by people in business who have not had any previ-ous book keeping or accoun-tancy experience whatsoever. if a person can write out a cheque they can enter this amount in the appropriate column in their cash book.

If you examine this report at the end of each month, you will be able to see how the

First, look at the turnover and gross profit. Was there sufficient gross profit generated to pay for all of the expenses? Was the percentage on turnover high enough, and how did it compare with similar types of businesses? Next, examine the expenses and see if they could be reduced.

Then look at the net profit or loss. If it is a profit, is it enough for the proprietor to

make a living? If it is a loss what are the reasons? Is the principal drawing too much money out of the business and starving it of funds? And so

should make out this report themselves (at the end of every month) and not wait for their accountant to draw up a profit and loss account and balance sheet at the end of the trading year. You need to know what is going on now, not what took place 12 month ago.

Close examination of this report will allow you to spot any danger signals and give you time to correct them or them before they develop into serious problems. You need to monitor what is going on

A report like this would be very useful to bank managers and others who have a vested interest in their client. It could overdraft facility that the bank receives such a document at the end of each month.

For some reason, there are people who have an absolute aversion to any sort of bookkeeping. If you are one of these, I suggest you contact a qualified book-keeper to do this job for you. For the self-employed or small company, the cost of this service hould be minimal.

Peter Robinson advises and book-keeping. His bookle Who needs an accountant? DIY accounting will be published by Zeebra Printing, Zeebra House, 15 Broad St, Bury, Lancs, BL9 0DA in April for £4.95

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In response. Greasepaint started an employment agency for make-up artists, and began providing make-up artists for wedding ceremonies. Greasepaint also hires out wigs, beards and moustaches to pro-

Greasepaint has five regular eaching staff, employed on a freelance basis. Choosing teachers can be a problem. 'Someone who is a brilliant ily a brilliant teacher," says

Students come from Britain and many parts of the world, including the US, Australia, Russia, India and Iceland. About half the Greasepaint

leans over his glass of milk to

kiss the bright red lips of his

They are arguably Serbia's

best known couple. Their nup-

tials this weekend are the mos

talked about ceremony in

recent memory.

Move over Charles and

natovic. He calls himself a

businessman, with interests

ranging from a London-based

company (the identity of which

he will reveal when United

Nations sanctions on the for-

mer Yugoslavia are lifted) to

oil wells in Serb-held eastern

Baby-faced Arkan, 42, is bet-

ter known in his other incarna-tions. In Belgrade, he first

came to public notice as head

of the fan club for the Red Star

football team. Promoting a brand of militant popular

nationalism, he was elected a

But Arkan is mostly revered

as the leader of the most feared

Serb paramilitary unit, the Tigers, which fought in Croatia

and Bosnia. Arkan says he did

nothing wrong in the war: "I

killed a lot of people in a fair fight, soldier fighting against soldier."

Abroad, however, he has

been named as a suspected war

criminal. Lawrence Eaglebur-

ger, US secretary of state, in December 1992 added Arkan to

his list of potential war crimi-

nals. The international tribu-

nal on former Yugoslavia in

The Hague, according to dip-

lomats, is expected to charge

He is already on Interpol's

wanted list for bank robbery

and murder in Sweden. Before

him soon.

member of parliament.

Diana. It's Arkan and Ceca. His real name is Zeljko Raz-

fiancée.

Croatia.

the Employment Department.

mer students make successful careers: "I recently watched two programmes on television in one evening for which the make-up artist is not necessar- make-up was done by former students of mine. I was delighted to see they are doing well - and it's also very good

■ Greasepaint 143 Northfield

The folk star and the Tiger

Laura Silber on the fairytale nuptials of a Serbian couple



security, he is often seen in the company of its personnel.
"They will ask why you are marrying a war criminal," he tells the lovely Svetlana Velickovic, nicknamed Ceca, who is half the age of her betrothed. "My wife," says Arkan, "is

Serbia's number one folk star." Since the violent disintegration of Yugoslavia, a repetitive blend of folk, oriental and canned music has taken Serbia by storm. Indeed, it has completely superseded any other form of music. Out of hundreds of stars, Ceca has become the object of desire for Serbia, where videos of sparsely-dressed women, with moves that would make Elvis Presley blush, dominate television

the war he had allegedly SCITECUS. worked for the Yugoslav secret For her, says Ceca, it was love at first sight. They met in police, and although Arkan 1993 when she joined a galaxy roof of her family house. "It is denies he ever worked for state

of stars to promote Arkan's Party of Serbian Unity. His bid for re-election failed in spite of the flashy campaign. Her almond-shaped eyes

dewy, she vows to bear five children to add to his flock of

They coyly dismiss rumours that the festivities will cost £500,000 (\$775,000). Arkan says he does not know how much it will be. The wedding is a gift from his friend Giovanni di Stefano, an Italian financier who moved to Belgrade.

A convoy of 40 pick-up trucks and two buses will set off at sunrise tomorrow to Ceca's village in southern Serbian. Wearing national costumes, Arkan will ask for Ceca's hand in marriage. According to Serbian tradition, he will shoot an apple off the

traditional to use a rifle. But I am better with a gun," he says. The groom's party will pur-chase Ceca from her father for an unspecified amount of gold

Later in Belgrade, at the church wedding, Ceca will wear a dress copied from one worn by one of her idols -Vivien Leigh in Gone With the Wind. Afterwards, 600 guests will be treated to a banquet at the InterContinental Hotel.

1 3

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In isolated and warped Serbia, Arkan and Ceca are a model of how to prosper in spite of everything. They do not smoke or drink in a country where cafes are a way of life. Their smiling faces are splashed across the Serbian media.

Ceca appears unperturbed by her betrothed's past - and his present. They arrive for lunch surrounded by bodyguards. He has built a fortress across the street from Red Star stadium, three storeys high. Unconfirmed reports say there are at least as many storeys below ground, in which to hide out if the state turns against him. Along the way, Arkan has made a few enemies.

He says he has no worrles. "When I lay my head down on my pillow, I fall asleep." Arkan sits in an office surrounded by six screens monitoring his house from different angles. He has variously claimed the

newlyweds will honeymoon in Brazil or Mexico. He ignores the threat of international WSFrants, insisting he can travel abroad whenever he wants. Arkan and Ceca are a burst

of colour in monochrome Belgrade. They coze wealth in a land where, after three years of waging war and UN sanctions, most people are struggling to make ends meet. "We have to live under sanc-

tions, but we have to be happy," says Arkan, "They can but they cannot impose sanctions on our hearts."

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curriculum. This was not because it was considered uninteresting. It raises lots of

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PERSPECTIVES

The Nature of Things

Roses are red, if robots only knew

Consciousness is impossible to measure, but there are still ways to investigate it, says Andrew Derrington

fascinating questions. The problem is that consciousness cannot be measured.

For example, what is the event in my brain that makes strictly informal kind. Consequently, I was surme aware of a red rose, or Royal Society, temple of the British scientific establishment, some of the high priests were going to brief the press about contemporary scientific work on consciousness. Even more surprising, the chief celebrant was Jeffrey Gray, my

former tutior, now at the Insti-tute of Psychiatry. I had to go. The high priests seemed to be from three sects, each seek-

ing the path to an explanation

different question.

consuess by tackling a

indeed of anything else, when I see it? Can our behaviour be influenced by messages we receive, but which do not reach our conscionsness, such as subliminal advertisements, If we could program a computer to see red roses, and to distinguish all the other things of which we can be

aware, would it be conscious? Consciousness does not produce data and you cannot predict anything from it so you cannot embody it in a respect-able scientific theory. Until recently, the only experiments are associated with conscious

In the 1970s, breakthroughs in this area were being made by analysing the activity of single hrain cells in animals, and by tracing their connec-tions. One type of hrain cell signals the redness of the rose by increasing its activity. Dif-ferent colours are signalled by different groups of brain cells.

The circuits containing these cells can be traced through the brain. But we cannot link consciousness with any specific part of the circuit.

New techniques for imaging brain activity, such as posi-(PET), make it possible to

trace the same circuits in between the brain events in attention to it. For example humans, although activity is conscious and unconscious until you read this sentence monitored region by region instead of cell by cell. Larry Weiskrantz, of Oxford

University, follows the same path as Gray by studying a phenomenon called "blind-sight" in which people with brain damage in the area that relays visual information can discriminate between stimuli without being aware that they see anything. Such nationic see anything. Such patients can reliably distinguish col-ours, but they think they are guessing. Most of their visual perception is unconscious. The next step is to use PET scans of blindsight patients to

distinguish the difference

perception. However, there is no guarantee that this will allow us to tie down consciousness itself, rather than some event in the brain that hapvisual awareness. Experimental psychologists

conscious and unconscious

who study the way humans process information, and the difference between conscious and unconscious processing, were represented by Max Vel-mans of Goldsmiths' College,

Their path is to study the way we process information that fails to reach conscious-

you are probably not aware of the pressure of clothing on your body. By studying how conscious awareness changes our ability to process information, we may reveal the function of consciousness.

It turns out that we do pro-

cess information from unattended events. For example, we may hear, and understand, our name if it is mentioned in a conversation that we are completely ignoring, thus demonstrating that we had processed some information from the conversation without being aware of doing so.

not be an "all or none" phenomenon. We cannot be sure whether the partial understanding we show when we do not attend to something is because we process informa-tion unconsciously, or because

things we choose to ignore. Stevan Harnad, of Southampton University, recommends a radically different approach, which he terms 'reverse engineering". Instead of trying to work out what it is about our brains that makes us conscious, we should be trying to engineer a robot that can mimic our behaviour. By building what he calls a T3

functionally indistinguishable from a human, we will have solved the problem of con-

However, Harnad says that even when we have such a robot, we will not have any way of knowing whether it is

Of course, to be functionally indistinguishable from a human the robot would have to tell us that it is conscious but unless building the robot teaches ns what consciousness is, we will have no indepen-dent way of checking. However, even this problem is many years in the future. The best of today's robots bear no

I was left with the firm con-clusion - shared I think both by the high priests and by the heretics - that none of these paths to understanding consciousness is certain, and all of them are very long. ■ The author is Professor of Psychology at the University of Nottingham.



Guilty in defence of the law

British soldiers are merely ordinary citizens licensed to carry guns, explains David Hawkins

he advertised Panorama . programme was dropped recently by the BBC and replaced by a studio "trial" of Private Lee Clegg, the soldier jailed after a Belfast shooting incident. The issue was not his guilt, but whether he should be released. The studio "jury", drawn from all parts of the UK, voted by 57 votes to

44 that he should be freed Petitions for his release have attracted more than 1m signatures, and about 100 MPs have declared support for Clegg's release on licence. It is clear that Clegg's case of is still an emotive

On the night of September 30 1990, a car carrying joyriders crashed with headlights blazing through an army checkpoint in Belfast. Fearing the car was carrying terrorists, Clegg fired three shots as it went by, but he also fired a fourth into the back of the car after it had passed, killing an 18-year-old girl. The court decided that firing after the car had passed could not be construed as self-defence and that in killing the girl, Clegg had committed

The car contained joyriders. But even if the bullet-riddled vehicle had contained wanted terrorists armed with guns and explosives, the offence would technically have been the same. British laws on the actions that endanger life are strict, even when the army is involved.

The problems of using soldiers for policing duties has bedevilled the British judiciary since the days of Oliver Cromwell, who maintained control of the country through the army. When the Restoration Parliament took over in 1660, there were fears that another Charles I or another Cromwell could seize power, and it was decreed that only parliament should control the use of troops within the British Isles, and that soldiers could be used against civilians

only under orders from magistrates. In recent times this has been taken to mean that soldiers can be used only under the control of the civilian police - comparative newcomers to

British society Prints of 18th-century London and other cities show clearly the military sentry boxes outside public buildings. Their fully armed occupants were the

mainstay of law and order, but soldiers were trained to kill, and the rapid growth of urban industrial society meant that their use would become controversial.

The first really noteworthy case involving the use of troops against civilians occurred in Edinburgh in 1736, and a precedent was set that leads directly to the dilemma of Private Clegg.

Captain John Porteous was faced with a hostile and dangerous mob when he supervised the execution of a notorious but popular smuggler. He ordered a volley to be fired into the crowd and several people were killed. He claimed that he had averted a serious situation, but he was arrested, tried, and sentenced to death for murder. A royal reprieve soon arrived, but the citizens of Edinburgh took Porteons from his cell and hanged him

from a lamp post.

This conditioned the attitude of officers and men, and when the Gordon Riots began in London in 1780, the Guards regiments and cavalry stood by while the anti-Roman Catholic mob destroyed private and public property, emptied the prisons and eventually threatened parliament itself. Most magistrates had fled and without their orders the troops would not risk taking action. Only when George III issued orders on June 6 did the troops move in and shoot to kill. On June 9 the riots were over. There were 200 dead and recriminations were rife. Why had the troops

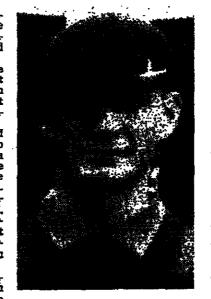
had acted within the law and that the King was justified in assuming his role as chief magistrate. The Lord Mayor of London was prosecuted for not taking command of the troops and the riots established a

not fired earlier? Should they have

fired at all? Had they acted illegally?

It was decided then that the troops

precedent for future events. In 1798, the Wolfe Tone rebellion in Ireland plunged the country into a bloody many-sided civil war in which hastily raised regiments, recruited from the dregs of society, were sent over to impose law and order. This proved to be virtually impossible. frishmen would not become magistrates and juries would not convict. This situation was echoed when Prirate Clegg was tried by a judge sitting



Private Clegg: a place in history

alone because the jury system had been suspended in Ulster for the previous 23 years.

Before that, the magistrates' courts had fallen into disrepute. "Shot while trying to escape" had become a suspiciously widespread defence, and even when soldiers were accused of murder, the magistrate was often one of their own officers or a nolle proseque was granted, an entry on the court record denoting a stay or abandonment of proceedings. There have been suggestions from several quarters that this would have been a useful way out in the Clegg case.

Like the leaders of the Irish insurrection of 1916, Wolfe Tone was tried by court martial and sentenced to death. However a civilian may not be tried by a military court no matter how much bloodshed he has caused. so the High Court quashed Tone's conviction and decisred the trial illegal. An hour before he would have learned of his reprieve, he cut his own

Tone's rebellion resulted not only in the Act of Union of 1800 but also in the formation of the Royal Irish Constabulary in 1819. This civilian police force prevented much further trouble

in Ireland and the army had to act under its jurisdiction Its descendant, the Royal Ulster Constabulary, is technically in charge of British military operations in Ireland, and its officers were on duty at Clegg's ill-fated road block. One officer subsequently gave evidence

against him.
On the British mainland in the last century, there were several examples of the mismanagement of troops when dealing with mass gatherings of civil-ians. In 1819, at St Peter's Fields in Manchester, the local magistrate tried to disperse a large crowd listening to a popular agitator, Orator Hunt. Cavalry were ordered to force a lane through the crowd to arrest Hunt, and 11 people were killed in a slaughter to become known as the Peterloo Massacre, in reference to the recent battle

Worse than the Manchester massacre was rioting on the eve of the Great Reform Bill in 1831. In other cities the new police forces were successful in dealing bloodlessly with the rioters, but Bristol had no police force, and for days the cavalry simply walked their horses around the mob. which was burning and looting at will. The Recorder of Bristol had fled, and not until some magistrates issued a clear and unambiguous order to charge and kill did the troops act. About 100 people were killed.

Colonel Brereton, the officer in charge of the troops, was court martialled for not having acted quickly at the start of the riots. He shot himself before the verdict. The mayor was charged with neglect of duty in not taking over the troops, but was

The growth of police forces in the later 19th century pushed this prob-lem into the background. As early as 1848 the Duke of Wellington probably averted a revolution when he used the new "bobbles" to deal with the vast crowd of Chartists assembled south of the Thames. But he had filled London with troops, skilfully keeping them out of sight. They were there to kill if necessary.

During the 1926 general strike, the army was ready to intervene to support the civil authority - with tanks if needed. But the troops that Churchill sent to South Wales were dispatched

only because local magistrates had made a case for sending them. The British army is recognised worldwide as one of the most experi-

enced when dealing with insurgents,

and handling civilian populations dur-

ing the transfer of power, for example

in the retreat from the Empire. But no problem can be greater than that faced by the army in Ulster. There they find guerrillas who speak the same language, who share a common culture and who are protected by the law. This says that force sufficient to kill may be used only when another life is threatened. It is debatable whether a soldier is allowed

to shoot a sniper who had just killed

one of his patrol if his own life is not in immediate danger. In 1885 A.V. Dicey published his introduction to the Study of the Law of the Constitution, which became the standard work on this subject, and in it he defined the role of the soldier when acting against British civilians. There can be no martial law in Britain as this would mean the suspension of ordinary law and its replace ment by military tribunals. Soldiers cannot imprison miscreants or punish them. They can arrest a wrongdoer but have no greater powers than

other citizens. A soldier is, in fact, a civilian in uniform licensed to carry a gun, which he cannot use except in clearly defined circumstances. No soldier can plead the command of a superior in self-defence, not even the command of the crown.

Everyone, soldier or civilian, has the right to repel force with force, but it must be appropriate force. Soldiers and civilians have a duty to deal with a breach of the peace (such as stopping a car driven by joyriders) and they can be prosecuted for not doing so. But there are no exemptions regarding conduct while upholding law. It is therefore possible for a defender of order to be prosecuted if he breaks the law while so doing.

That split second with the finger on the trigger is hardly enough time to reflect on Dicey's exposition of the law, but long enough to be guilty of

in British constitutional history.

Private Clegg can at least console

imself that he is assured of a place

former attendant, was "a good tipper". Today only one spa remains open for its original purpose:

Letter from Little Rock

In hot water – just like Clinton

Sue Nelson samples a spa and goes on a 'scandal tour' in Arkansas

in Little Rock," a friend said hesitantly. But I'll warn you now: there's nothing to do here." Luckily, at the airport, her opinion had changed. "Get into the car," she said cheerfully. "We're going on a scan-

dal tour " Bill Clinton certainly made an impression on Little Rock during his 12 years as Governor of Arkansas, but not, per-baps, the one he had hoped for. Not surprisingly, the Convention and Visitors Bureau Little Rock, the brochures state, is simply "the Presi-

dent's home town". Only the Arkansas Democrat Gazette, it seems, knows what really interests visitors. So. responding to popular demand, the paper recently published its own sightseeing agenda: Little Rock's Scandal Tour.

There are 11 points of call, including, naturally, several hotels. The Riverfront Hilton Inn, for example, is where the rock groupie Connie Hamzy allegedly entertained the future US president, a claim, like all others, botly denied. Meanwhile the Excelsior is where Bill Clinton supposedly tried out his seduction technique on Paula Jones, who has since filed charges for sexual

Then there is Quapaw Towers, the high-rise apartment block where Gennifer Flowers, alleged to have been the president's lover, used to live. But not every landmark on the tour involves sex. Hillary Clinton's old workplace, the Rose law firm on East Fourth Street, is also where Vincent

water affair. Even the Gazette has a role to play. Its former home, now an empty building on Third Street, served as Clinton's campaign headquarters in 1992 where \$4.1m in federal funds

Foster worked before commit-

ting suicide during the White-

were allegedly misspent. It is just as well I bought the back issue containing details of the scandal tour because there is not much else to do in Little Rock. Amazingly, considering a population of about 2.5m, there is no downtown area of restaurants, shops or bars. Socialising seems to take place either outside Little Rock or inside hotels - which explains

No wonder I hired a car and escaped to Hot Springs, a town originally discovered by the Indians, who named the area Valley of the Vapours after finding 47 thermal springs.

It was, however, not until the turn of the century that Hot Springs capitalised on its natural assets, when a firm of Little Rock architects wanted Hot Springs to become America's answer to Baden-Baden. It built most of the eight spas along Bathhouse Row - and all

still stand today. The Fordyce spa is now a visitor centre. There is an assembly room, gymnasium and beautifully coloured glass ceiling overlooking the men's bath hall, depicting Neptune's daughters. During the 1920s, Al Capone visited the bathhouses for mercury rubs - then considered a treatment for syphilis. Capone, according to one

the Buckstaff, first opened in 1912. So, naked apart from a white linen drape, I follow the

with various metal pipes: one to monitor the temperature another to activate the whirl-

and massage for just \$25.

pool and a third to fill the tub. "This is pure natural spring water, ma'am," Gwendell says. "We do nothing to it apart from reduce the temperature. I sit in the bath and am immediately frisked by Gwendell's flannel then balances four paper cups full of warm water by the side of the bath "for if you're thirsty", switches on the whirlpool and leaves me soaking for

the Buckstaff women's bath

hall. I had bought a thermal

mineral bath with whirlpool

Gwendell enters a cubicle containing a large full bath

20 minutes. Afterwards, she leads me to small sink at ground level. Assuming it was a footbath. I go to step inside. "No ma'am." Gwendell says with a smile.

"It's a sitz bath. You sit in it." I lower my bottom gingerly into a pool of warm water. "It's good if you've got problems down there," she adds, mod-estly nodding towards my nether regions. The vapour cabinets remind me of sauna scenes in gangster

> The vapour cabinets remind me of sauna scenes in

gangster films films, where hoodlums smoke cigars and discuss hits among the steam. I am visible from the neck up, like a boar's head on a metal platter. "You'll be here for two minutes." Gwendell says. I am timed to perfection and meekly taken to a row of tables where women lie shrouded in linen. A cool flannel cools my forehead and hot

packs wrap my neck and shouldreamy relaxed corpses. I awake when Gwendell removes the flannel. A tingling needle shower removes any dried perspiration and one of the "massage technicians" completes the bathing package. The whole experience is sublime - better than Baden-

Baden - and more relaxing than any spas I have frequented in Budapest. Outside, in shop windows. notice the ragged silhouettes of razorback hogs. They are practically an emblem in Arkansas and lend their name to the

state football team. "Go hogs go," a sign says, besides a President Clinton mug. There are pictures of Bill everywhere because Hot Springs, like Little Rock, is, of course, a presidential hometown. Yet there is really no

need for Hot Springs to exploit the Clinton connection because the bathhouses are an attraction in themselves. Little Rock. I am afraid, even with a Scandal Tour, is simply trying to make a silk purse out of a razorback's ear.

Dresden

The archive photograph which we published on February 11 "Dresden in ruins" was in fact of San Francisco after the 1906 earthquake. The error resulted from incorrect captioning by the agency which supplied the print.

HOW TO SPEND IT/FASHION

A brief history of the unmentionable

Lucia van der Post uncovers the bold new world of men's underwear and finds out who is wearing the latest trends

haps, it is time to grab a strong drink, hold on to your chairs and take a deep breath. Men's underwear, for many years banished into the world of "unmentionables", is becoming more extroverted.

It was Calvin Klein who started the trend in 1983, when he had the happy idea of taking underwear "beyond the classic and the predictable, giving it more meaning" and found he had tapped into a

That first year he sold \$70m worth of fly-front boxer shorts, briefs with white elastic bands and T-shirts, and last year he sold the company for another \$70m to Warnaco, the US manufacturer of up-market underwear. It was no wonder the world took note and other designers decided they, too, would do fancy things with elastic bands and Y-fronts. At first it seemed mainly the

gay market that embraced this bold new world of underwear and most of the advertising and slogans had a strong homo-erotic tone. Then along came Nick Kayman, taking off his Levi's in the laundrette, and cotton boxer shorts moved into mainstream men's fash-

So today, young men (mostly aged between 18 and 35) go clubbing with the waistbands of their underpants clearly visible above the top of their jeans – after all, if you have spent between £35 and £50 on Armani, Versace or Dolce e Gabbana you want somebody other than your partner to notice. They wear vests as if they were T-shirts, either on their own or under an opennecked shirt (the Paul Smith version with the high-cut V-neck, says Harrods, is the hip vest of the well-heeled set).

Men's underwear, as women's did before it, is coming out into the world of high fashion. The language, familiar to followers of female underwear, such as VPL (visible panty line), control, support, underwear-as-outer-wear, has been taken up by the designers and makers of men's underwear. Their reward has been to see sales rise by about 14 per cent since 1988 and to be worth £605m in 1993.

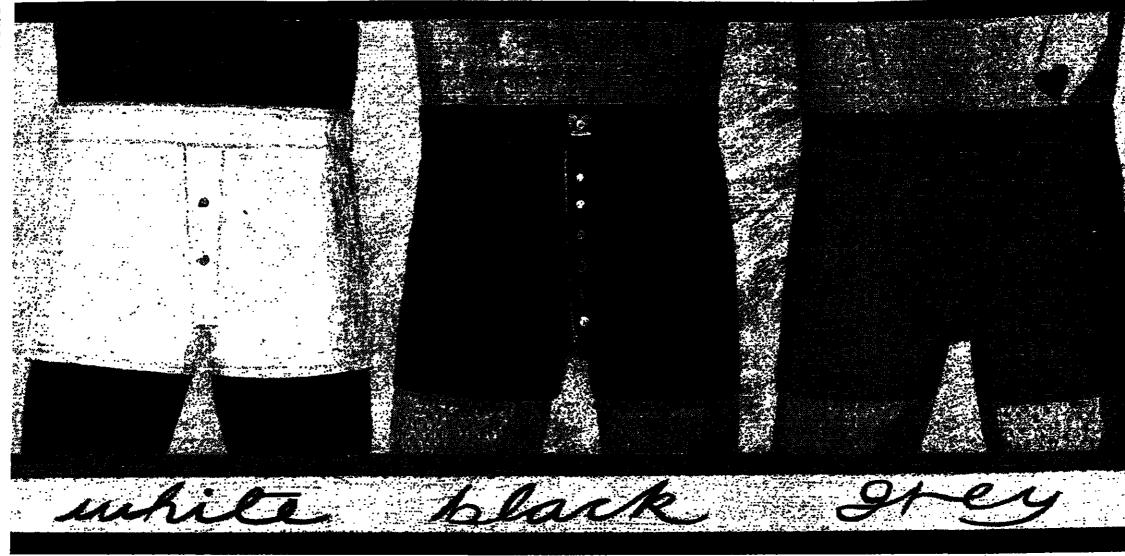
men's underwear business about the effects of the recession and his reply is likely to be "what recession?" Paradoxically, it seems to have helped them - those who cannot indulge in a new suit, turn instead to long-legged shorts or a simple grey-marl vest which doubles as a T-shirt, all of designer suit.

To those accustomed to buying plain white Y-fronts and whose idea of adventure on the underwear front is to wear the pair of boxer shorts that Santa brought, spending £35 or more on a designer label which most of the world will never see seems mad. But today, adventurous design is available even

in the high street chains. At Marks and Spencer, for instance, where 30 per cent of British men's underwear is bought, Sean Croxall, senior selector, says younger men ("mainly," he says, "the 25 to 35-year-olds who are still looking for a mate") are buying more and buying more adven-

Sales are split evenly between classic and "designer" lines. This year, says Croxall, "the young hip set will be going for a 1950s-inspired, short-legged trunk which is a boxy shape, rather like old-fashioned swimming trunks - a shape that would be unwearable without Lycra.

"Whereas in Edwardian times those long-legged shorts would have drooped and lost



From left to right: plain white Sloggi short-legged trunks, 96 per cent cotton, 4 per cent Lycra, £18.75. Black maxi-briefs by Hom, in 100 per cent cotton, £30.





Black cotton-Lycra T-shirt body by the British underwear designer Mark David Tomlin, £29.99

they fit properly, give control and support and look just as good after they have been through the washing machine a few times."

Eighteen months ago Marks and Spencer even introduced "the body" - the all-in-one nightmare that women were daft enough to succumb to but which men have refused to embrace. "It did quite well to begin with," says Croxall, "but sales have now...well, bot-tomed out."

New fabrics and technology not to mention, the lure of profits - have enticed almost every designer into the underwear market. Even though it is their shape and their possible to buy this year's aesthetic appeal, with Lycra short-legged, low-waist-banded

boxer for just £6 at Marks and Spencer, there are those who will wear nothing unless it has a designer name - even if that sends the price-tag soaring to

From Armani and Versace to Dolce e Gabbana and Britain's Paul Smith, all have produced their own lines.

At Harrods, paying £45 for a pair of underpants is not unusual Last year the store had little trouble selling silk boxer shorts by Versace at £189 a time or Nicole Miller's versions at £59. Dolce e Gabbana, which is at the cutting edge of acceptability, is experimenting with little tranches of lace -



Many of the designs have been influenced by authentic sportswear (the sea, the gym. the boxing-ring, skling) and, indeed, the barriers between underwear and outer-wear are becoming blurred.

The new underwear is making public appearances in the gym and at the swimming baths. Much of the appeal is that it can lead a double life a vest can double as a T-shirt, while firm yet comfortable knitted boxer shorts have been

known to pass for swimwear. Sales of vests bave been disappointing as younger, fashionable men tend to go vestless. But there is now a skintoned vest that can be worn underneath white or semitransparent shirts and not be

Once a chap gets used to these new-style undergarments and many of the older wearers are apparently introduced to them by their sons - he tends to become a fan. The fabrics, usually varying combinations of cotton and Lycra, are more comfortable and cooler to wear: and where the old boxer shorts used to ride up or bunch at the top of the leg. new-style

boxers fit snugly. And, most significantly, even staid Englishmen who traditionally never worried about their underwear and waited for their wives or girlfriends to buy it are sometimes seen buy-



The penitentiary look - here, by Hom in red and ivory, or blue and ivory strin Made in 100 per cent cotton, the vest is £20.50, the boxer shorts £28



Working out in vest and briefs by Sloggi. Made from 97 per cent cotton, 3 per cent Lycra, the

Craftsmen with designs on change

and its version of the all-in-one

nybody interested in the changing role of the craftsman in _today's world should horry alone to an exhibition of furniture at the Crafts Council

Here, exemplified in 70 pieces of furniture by more than 20 designers, is evidence of the dilemmas facing the craftsman. To what extent should they strive to keep their work craft-based when machines can take over some of the more arduous labour? When does a piece which is part hand-made and part machine-made cease to be craft and become industrial design? To what extent is the craftsman a purely practical provider of useful items and to what extent is he an artist? With much machine-made

production aping the aesthetics of craft and some craft makers reproducing designs

that look machine-made, these definitions seem superfluous. Peter Dormer, the exhibition's curator, says in the catalogue: to those who believe that industrial design only

began "with smoke stacks and progresses to Cad-Cam (Computer Aided Design - Computer Aided Manufacture)" all design, from simple early designs in mud to ancient Greek pottery which involved designers, has some element of the industrial in it and all industrial design some element of the craft.

Many pieces made by hand technology ("think of the screws and the adhesives," says Dormer), whereas many mass-producers, particularly in the ceramics and furniture industries, attempt to fake the

hand-made look. A visit to the exhibition will



by Richard la Trobe-Batemen

reveal how varied and ingenions are the methods employed by our most distin-

and Jim Partridge, is in the old crafts tradition, using mainly hand-crafted wood to produce furniture with a handmade aesthetic. At the other end of the spectrum are Fred Baier (who uses Cad), Richard la Trobe-Batemen ("really an engineer producing furniture") and Mary Little (who loves futuristic shapes and experimental fabrics technology). They see no reason why the most advanced technologies should not be harnessed. In other words, craftsmen

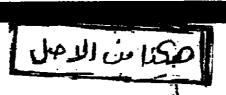
seem to have freed themselves from the restriction of labels. They ignore the limitations that some would impose upon their range and explore ways of giving the craft aesthetic a new perspective.

On one thing, though, they are all agreed. Their work is not art, for art generally has

furniture insists on its utility. Dormer says: "Designing and making things, especially furniture, is a form of practi-cal philosophy, an interesting activity in its own right. Like any game you have to take it seriously in the sense of finding it worth the while to play, but outside the game there are no absolute conclusions to be drawn. Outsiders may be baffled or intrigued or dismissive. Other people's games are like

Lucia van der Post

The exhibition is on at the Crafts Council Gallery, 44a Pentonville Road, Islington, London N1 9RY until April 2. It then goes to The Friary in Cardiff, the University of Warwick at Coventry, and the University College of Wales at Aberys-



FOOD AND DRINK

Culinary adventures in Virgin paradise

Nicholas Lander meets the chef on Necker Island, the exclusive Caribbean resort

in one of the world's most exclusive and expensive resorts, Necker Island, a 74-acre slice of paradise in the British Virgin Islands, privately owned by Richard Bran-

nable

son of the Virgin empire. Branson bought the island in the mid-1980s for \$300,000 and admits to having spent a further \$7m on it, blasting off the mountain top to build an exquisite Balinese style bungalow that sleeps 16 and includes a bar, dining and siesta areas and two Balinese houses that each sleep four.

Should you wish to go there it will cost you \$13,000 each day to hire but you could take up to 23 friends and the price does include everything. There are no extras and, next to the boxes of large, fluffy towels on the beaches, are coolers full of Veuve Clicquot champagne.

This price also includes everything you eat - which keeps Jones in his kitchen 18 hours a day in many roles: meat chef, fish chef, vegetable chef and pastry chef. An extensive list of duties bears testimony to his love of cooking.

Jones began while still a boy and later trained with some of England's top chefs, such as Michel Roux, Raymond Blanc and Colin Button.

But - in spite of a swim in the ocean after cooking breakfast, lunch and dinner, and deep, blue sea from his kitchen - a talented chef on a small Caribbean island faces unique

The first is finding staff. Jones says: "When I arrived here the former chef, who was supposed to stay on as sous chef, promptly walked out. There are no catering colleges nearby so I went to the local sports coach and said 'give me someone enthusiastic and athletic who wants to learn'. It worked initially and I had a great assistant for a year whom we even sent back to England to work in Raymond Blanc's kitchen for three weeks, but he left on Christ-

"Now I have an ex-storeman preparing the vegetables and doing the dishes and an assistant chef who used to answe the phone in a taxi office on a nearby island." But such inexperience can be expensive. One night the cold store was left open and \$1,000 worth of produce ruined

How top-quality produce arrives at Necker is another headache. The island yields finger bananas, grapefruits, oranges, key limes, breadfruit, papaya and mangoes. Everything else has to be brought in, which involves almost military precision in timing.

"I can buy excellent Black Angus beef from Puerto Rico and good American lamb as well as swordfish and tuna But I am at the mercy of the American suppliers in Miami, who I don't think have a very high opinion of British chefs so I'm always at the bottom of their list.

"Last week I had an expensive order of fish coming in. I phoned the supplier to check when the boat was due and discovered he hadn't even loaded it. Eventually, I had to send the helicopter over to get the fish which put the cost up a fair amount.

Jones includes in his stylish repertoire salad of striped bass and crispy fennel; saffroned mussel soup; chicken cous-cous with tomato and thyme vinaigrette; and grilled swordfish with key lime. But you have to be prepared to accept a little flexibility as to when you will eniov these.

what you want to eat and Jones can now meet American demands for no-fat, low-fat, low-sodium or low-salt meals. And Richard Branson's own favourites - shepherd's pie, sticky toffee pudding and lashings of fish soup - are promptly catered for.

But culinary isolation and lack of inspiration from other chefs are the two main disadvantages of Jones's job. When there are no guests on the island he takes the boat with his girlfriend, Caroline (who runs the front of house with ship-shape precision inherited from her father, a captain on the QE2), to a nearby resort. Little Dix Bay, where the chef puts on a tasting menu for

When Jones returns to





Food and drinks at the Necker Island restaurant, as well as towels and champagee on the beach, are all included in the \$13,000-a-day price tag

England it is to eat at restaurants which may provide any missing culinary inspiration. More important, it is to catch

up with Myra, his mother, the person who helped him on a culmary career that has taken him 4,000 miles from Merseyside to the Caribbean.

"My Mum has always run a

home and I started helping her her with the cooking! when I was 10. There were always at least three or four desserts in the fridge and friends would just call in because they knew there'd be something good to eat. She inspired me but when I went back last time, absolutely exhausted, she was catering

for a party and I had to help

Gary Jones' caramelised pineapple: Ingredients: one ripe pineapple, granulated sugar. Stand pineapple on its end and cut it vertically into pieces

%in thick, taking off the skin and removing the core. Cut the pieces into triangles and lay on a tray covered with

mixing of the herbs and plants

and prepare the macerations and distillates necessary for

cool-climate alpine version.

finally allowed back by the

church-venerating Vichy

regime in 1940, although pro-

duction of the liqueur contin-

ued in Tarragona as well as La

Grande Chartreuse until a few

years ago. The anti-clerical

storm had passed.

silver foil. Sprinkle liberally with sugar. Blast with a blow torch until the sugar is cara-melised and bubbling. Serve with cream or passion fruit

■ Necker Island, 120 Campden

Hill Road, London W8 7AR. Tel: 0171-727 8000, fax 0171-727

in solitude and peace. The Carthusians at La Grande Chartreuse actually distil a large number of liqueurs, but yellow and green Chartreuse are the most important. The yellow is

tian or *oénépi*. The green (55 per cent) is a drier, better structured, more classic digestif, with a redo-

Both the yellow and the green exist in versions aged for eight years in cask and labelled "VEP", or vieillissement exceptionellement prolongée. These come in reproductions of the original 1840

Chartrense defies the standard law that spirits do not age in glass, not only becoming drier with age but developing secondary and tertiary aromas. The experts suggest that the yellow is the best VEP, as the liqueur loses some of its cloying sweetness and gives off an interesting biscu-

The green puts on something of the austerity of its creators and a slight bitterness which enhances its digestive quali-

Fascinating, too, are old bottles of Tarragona Chartreuse where the botter climate creates an altogether different character: the 1953 I sampled had a curious bouquet of sealing wax and ginger-

£19, yellow VEP £23, green VEP £26 - all for 50cl.

go on praying, and distilling,

without fire ing them off in the sauce For the batter: 'db plain white household flour sifted before we begin the gas-tronomic run-down to Lent. Goodbye to meat

Cookery/Philippa Davenport

after carnevale, carnival or collop Monday. Then on mardi gras, Shrove Tuesday, or pancake day as it is often called in Britain, comes the final feast of dairy produce.

At other times I would choose pancakes simply sprinkled with sugar for crunch and plenty of lemon juice for zip. But Shrove Tuesday calls for something more flamboyant to tie in with the fireworks and fancy dress exuberance often associated with the eve of soul-searching Ash Wednes-

Crèpes Suzette is the French favourite and undoubtedly appropriate but I confess have nursed a grudge against it for years because of the song and dance that attends its production in restaurants.

Tableside performances are

not my scene. Good manners demand that you watch and admire when you would really rather concentrate on your din ner companion. Besides, une of the chief pleasures of dining out for a cook is to be spared any reminder of the kitchen.

Recently, though, I have learned that crepes Suzette began life as theatre and this makes me feel more relaxed about them. I can now go along with the play-acting as ligh-thearted fun on a par with huffing and puffing over the candles on a birthday cake. According to Harry Luke,

that magpie of culinary anec-dotal gems, the Mademoiselle Suzette after whom the crepes are named, was an actress with the Comedic Française. When taking the part of a maidservant in a play in the 1890s she was required at one point to serve pancakes. These were supplied nightly by the adjoining Restaurant Marivaux, whose proprietor, Monsieur Joseph conceived the idea of the audience could assure themselves that the pancakes

were gennine. So, crépes Suzette it shall be for Shrove Tuesday this year. My only proviso is that the pancakes should be cooked and reheated in their orange-butter sauce discreetly off-stage, not in front of the diners.

A delicious idea might be to do as Escoffier did. Serve the pancakes bathed in their luscious sauce as soon as they are well heated through. No torch-

> CREPES SUZETTE (screes 4-6)

Like all pancakes these can be made several days ahead. Cool them on cake racks and stack them when cold between folds of greaseproof paper. Overwrap with foil and refrigerate. Reheat gently (still wrapped) at 375°F (190°C), gas mark 5, for 15 minutes or so before finish-

Play-acting

with 1 teaspoon caster sugar and a pinch of salt; 2 excs beaten with 's teaspoon finely grated orange cest; I tables poon Curação or other orange liqueur and 9 fl oz semiskimmed milk; 2 tablespoons melted butter. For the sauce and flaming

l oz caster sugar; the finely grated sest of 2 oranges; '.p. freshly squeezed orange juice; 1 tablespoon Curação er other orange liqueur, 4 tablespoons

Make the batter in a food processor or by hand, gradually beating the liquid ingredients into the dry ones to make a smooth creamy batter. Then stir in the cool, melted butter. Cook the pancakes over medium-low heat in a wellseasoned 6in pancake pan that has been rubbed with butter paper. When the underside is set to a pale golden brown, flip



each pancake over (or toss if you are nimble fingered) and cook more briefly on the second side. This quantity of batter is enough to make 16-18

very thin tender crèpes. Cool if cooking ahead. Or keep the pancakes warm while you cook the rest, arranging them slightly overlapping in a circle on a warmed plate in a

A 10in-12in frying pan is best ing the crepes. Dice the butter into it, add the sugar, orange

zest and juice, the Curacao and just 1 tablespoon brandy When warm and well blended slip the first crepe into the pan. Turn it quickly to moisten both sides with the sauce, then fold it in half and in half again (I find fingers easier than spoons). Slide the crepe triangle to the far edge of the pan and soak and fold the rest in the same way, arranging them gradually just overlapping at the back of the pan.

When all are ready, turn the heat up a little and let the crepes slip and slide in the sauce until they are very hot and the sauce is bubbling. Serve just as they are if your mood is restrained. Or, for a pyrotechnic finish, quickly warm the rest of the brandy in a small pan, pour it over the crepes, set it alight and serve with a flourish.

am glad I got to see the

monastery, from the out-side at least. St Bruno himself had written: "Only those who have experienced it can know the benefit and delight to be had from the quietness and solitude of an hermitage." It was certainly quiet. The

occasional crow flying over the 17th-century buildings beiched a raucous cackle. Somewhere within there was a yellow glow from a single light bulb. All around was thick snow. It was the most

Giles MacDonogh discovers the history of Chartreuse is far from sweet

The Carthusians did not receive us. They never do. Not for them the Benedictine laws of hospitality. They pray for us but want no contact with our corrupt world. Who can

blame them?

As monks go, the Carthu-

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shots are probably the





monks, their successors have

peaceful place I had ever sians have proved to be fairly ecaries alone had the right to it was a different France. The

St Bruno founded the order in 1084 and by the French Revolution there were more than 200 charterhouses across

There were also several in pre-Reformation Britain. The best preserved ruin is Mount Grace, near Northallerton in the North Riding. And on the borders of the City there is one of London's least well-known collections of ancient buildings in the Charterbouse. Since the expulsion of the

retained at least one trait of the old order: their love of pri-Since the re-establishment of the Roman Catholic hierarchy in Britain there has also been Parkminster in Sussex. Its Victorian buildings reproduce the little cells and gardens of an

order which combines the anchoretic with the coenobitic: one is alone, at the heart of a The Carthusians survive by their liqueur: Chartreuse. The origins of the liqueur are apparently shrouded in mystery. In 1605, the Maréchal d'Estrées gave the formula for an "elixir for long life" to the

Carthusians of Paris, whose

'Chartreuse de Vauvert" was

on the site of the present Bou-

At the time, monastic apoth-

levard Saint Michel.

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produce such elixirs. It was another 130 years, however, before the Carthusians decided to make up the recipe, and then, not in Paris, but in their mother house - up in the mountains near Grenoble

At first it seems suspicious that Father Jerôme Maubec was able to find all the ingredients for the Paris recipe in The

Carthusians took refuge across the Spanish border and soon their stills were up and running

his eyrie, but it should be recalled that the many Carthusian monasteries formed a powerful trading network. Anything unavailable in the Alps could be brought in from

This first elixir of 130 plants macerated in alcohol must have resembled the Elixir végétal, still made today and sold as a powerful (71 per cent alcohol) tonic in 10cl bot-I assume that the "liqueur"

came later, possibly as late as 1840 when Brother Garnier registered the trademark together with the Carthusian emblem of the globe sur-

mounted by the cross: the world may change but the faith may not.
Naturally the monks were scattered by the revolution and only regained their mon-

astery at the Restoration. In spite of the return of the king

St Bruno's elixir of life honey-sweet and lower in alcomonks would never have the same status they had enjoyed hol (40 per cent). Melissa and liquorice make their presence feit. If you are good on alpine under the ancien regime. Revenues from the liqueur were flowers you might detect genincreasingly important. Real take-off was possible

when the railways reached the local town of Voiron in around lence of angelica, mint, ver-1860. It was there that the new cellars were built, well away bena and pepper. from the monastery.

From then on three working brothers would supervise the

the green and yellow liqueurs. The last half of the 19th ceubottle. tury saw a boom in sweet liqueurs. By 1900 Chartreuse was selling up to 3m bottles a A second disaster struck in 1903 when Emile Combes's anti-clerical administration banished the Carthusians. They took refuge across the Spanish border in Tarragona

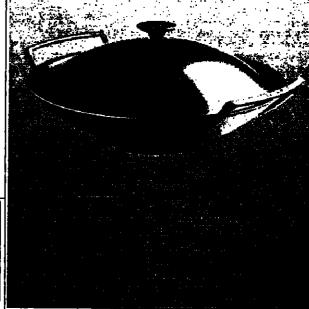
and soon their stills were up ity bouquet. and running, making green and yellow Chartrense which was subtly different from the The Carthusians were

The French state now owns Prices: yellow £17-£18, green the land, but the monks may

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A county with a big shortage

Gerald Cadogan finds the history of Northumberland has left it with a scarcity of large houses

tories or large farmhouses size are scarce in Northumberland, and where they exist, they are usually

19th century. Northumberland's lack of "gentlemen's residences" reflects the county's unusual history. For centuries its main problem was to have the marauding Scots as neighbours, as the Romans realised – and they built Hadrian's Wall to stem the constant

Later, the Northumbrians defended themselves with castles and peel towers, as did the Scots on the other side. (You find castle ruins all over the Borders.) In this rough, lawless life, abbeys and priories were a safe haven but their protection stopped when Henry VIII dis-solved the monasteries.

Only in the 19th century did life become safe in the Northumbrian countryside. The Jacobite rebellions of 1715 and 1745 were the last serious threats from Scotland and to counter them, the English built the Military Road (B6318), following the Romans' line, and designed roads to move troops quickly to where they were

Landowners, led by the Percy family, Dukes of Northumberland, were the other main reason for the late arrival of houses of substance. These hereditary rulers had vast estates, and to some extent still have.

Wealth came from sheep farming and coal mining. The coal was quarried from drift mines long before the Industrial Revolution. Many a country property has an abandoned mine, where the owners had hoped to add to their wealth. Out of the coal industry

sprang the Tyneside shipyards. Even in the 17th century it was thought stupid to carry coals to Newcastle.

The landowners spent much money on building great houses for themselves, or rebuilding those that they had inherited. Visit the Percys' Alnwick Castle or the Treve-Alnwick Casue of the Hevelyans' Wallington (now National Trust, together with its 13,000 acre estate) and you can follow the family fortunes. Wallington is Georgian to Vic-torian, while Robert Adam remodelled Alnwick in the 18th century and, as if that was not enough, Anthony Salvin worked on it in the 19th cen-

The last great house in the county was Lord Armstrong's

ast week, I put the

Wengen to the ulti-

mate test: I went there

immediately after skiing in astonishingly good powder in

an exceptionally good ski area Val d'Isère, France. The

result was surprising. My heart

belongs to Wengen (but my

feet to Val d'Isère).
This is not for a moment to

denigrate Val d'Isère, which I

believe is technically the best

ski resort in the world. It is

more of an awakening to the

But what exactly - apart

from the truly extraordinary

scenery, (either the Jungfrau,

Mönch, Eiger, Schreckhorn,

Wetterhorn or combination of

the five loom at you from

almost every hotel window in

Wengen or its neighbour Grin-

Its skiing is average. So is its

occasionally almost verging

snow record. It is old fashioned

on the primitive. Like the lift, my telephone at the Hotel

Brunner seemed to be the

same model that was installed

almost a century ago.

The most modern thing

about the hotel was the 1960s

bar decor, installed when the hotel was modernised. The "ski

room" is the ground floor of an

delwald) - is the attraction?

attraction of Wengen.

Cragside, mostly designed by Norman Shaw and paid for from the profits of his famous engineering works. This extravaganza of Victorian wealth and technology was the first house in the world to be lit by hydroelectricity. Cherries and plums grew on turntables in the glass "orchard house", which the

Cadogan's Place

Sport

stars

to sell

It was a surprise to find a Cadogan House on the market. It has nothing to

do with me. This is the name

chosen for 42 Augusta Ave-nue on Collingtree Park golf

course, near Northampton, by the vendors - Sharron Davies, the Olympic silver medallist swimmer, and her husband,

Derek Redmond, the 400m

runner. It cannot boast a run-

ning track but it does have a 30ft swimming pool, and they

Bovis Homes built the neo-

Georgian house three years

ago. Inquiries to Jackson-Stops in Northampton

(01604-32991). The price is

■ An essential for barnown-

ers and those adapting barns is The Barn - Silent Spaces by

Malcolm Kirk (Thames and Hudson, £35). It gives a lively history of all types of barns, including the barn-like mar-

ket halls of medieval France,

the brick and timber grana-

ries of Germany and the red-painted clapboard barns of

the US, and has superb photo-

Kirk takes the idea of the

shape back to the Romans'

basilica halls and stresses

how similar barns, churches

and halls were in the middle ages. The section on the Ger-

nan aisled barn called a Hal-

lenhaus, in which family, ani-

mals and crops were all under

one roof, shows that a barn

can provide plain but stylish living. Most barn conversions

in Britain fall short of that

but, as long as planning

authorities allow barns to be

converted for housing, it is

The Hotel Brunner is a

The railways helped start the

British interest in Wengen before the first world war. The

most spectacular - and, in its time, the most eccentric - was

the construction of the Jung-

frau Railway which tunnelled its way through the North Face of the Eiger before it had

even been conquered by climb-

ish love-affair with Wengen, but it was resumed with relish.

And when British skiers per-

suaded officials of the

Wengernalp Railway to run trains up to Kleine Scheldegg

in winter, it marked the begin-

ning of a new tradition. There were no ski lifts then, and ski-

ers used to walk up on "skins".

From now on they could ride

up on the train and ski down.

In 1925 this new concept was

given a name: Downhill Only

Today we were to set off from

Nagens, half way down, but just above Platt Alva.

the first time that morning

and found it not too dannting. Conditions then had been fine.

Conditions now, as my four team-mates and I stood at the

starting gate, were appalling. A cloud had wedged itself into

the valley right in our path -

and 500 metres from the start

Visibility was down to zero

and the team scattered: I could

we were in the thick of it.

I had skied the course for

The war interrupted the Brit-

microcosm of Wengen. It is clean, quaint, friendly - and time has almost stood still for

not too late to learn.

■ A Georgian gothic castle at Englefield Green in Surrey,

between Egham and Windsor,

is being offered for sale at £4.5m. Castle Hill has 37

acres, with a lake, wood and deer park, and a handsome

castellated house built in 1722

with plenty of bedrooms,

three grand reception rooms

and an oak stairs lit by a

HE SAID HE'D BAK
MAIT FOR US HE
FORESM T CLIMB
STAILES.
TOTAL
TOTA

So much are the British part

of the Wengen scene that according to Karl Fuchs, owner of the Eiger Hotel - the DHO's

HQ - a certain Mr Hewitt (a

member of Wengen Curling

Club who only skied when the

suited him) was asked one

domed skylight.

graphs and drawings.

use the garage as a gym.

ensure that the trees did not grow lopsidedly.

On their estates, the landowners would build what were known as "duke's cottages and houses" for farmers and labourers. But there was little need for bourgeois houses, except in the market towns. In Victorian times, the pic-

gardeners turned regularly to ture changed. Money had spread wider and the rallway made it easier to reach the moors and beautiful river valleys and to buy land and build a house of substance. Even so, there are not enough of them to induce his national

The Old Parsonage at Hepple

Since 1986 it has below

to Uglands, the Norwegian

shipping group, which has renovated it. Both house and

stables are listed grade II.

The agents are DTZ Deben-ham Thorpe (0171-408 1161)

And for almost the same

price, £4.6m, Wetherell (0171-493 6935) is selling 37

Park Street, W1, (pictured

above) in the heart of Mayfair

on the Grosvenor estate.

whether he was going skiing. He replied: "No. There are

too many bloody foreigners

from Berne on the slopes."

(Until recently, Swiss members

of the DHO were officially

listed as "foreign members".)
This month, the DHO cele-

brated its 70th anniversary

with a dinner dance at the

Kleine Scheidegg (appropriately, members could only

reach it by mountain railway).

free-for-all, the McMillan Cup

race, for which members

gather at the top of Tschuggen

and - after rather a desperate

(but traditional) mass start -

hurtle down the Ladies' Down-

hill course to Aspen on the lower slopes of Grindelwald.

two minor casualties - but not

as many as during the 60th

anniversary race when, accord-

ing to the DHO magazine: "A

group of competitors, mostly

ladies, shot off two seconds

a rock, lost a ski and their

As usual, there were one or

This followed its annual

Skiing / Arnie Wilson

I lost my heart to Wengen

and Savills (0171-499 8644).

is typical of these 19th century. houses. Facing south, it is warm and has a glorious view down to the river Coquet and up to the moors on the Simonside Hills on the far side of the river. It is some of the best country in the Borders. Local baronets built the

house, a "curatage", and the adjacent church, school,

this handsome 1908-11 build-

ing, designed by WC Caroe, has been used as offices under

the Temporary Office Permis-

sions scheme: But permission

has run out, as has happened

to many TOPs in Mayfair, and

the building awaits refurbish-

ment and conversion back to

residential use. The lease has

Gerald Cadogan

an extraordinary ability to say

the same word a very large

The race organiser, Paul Zve-

gintzov - the DHO's secretary-

in-residence - believes in con-

tinuing these mass, uni-sex

starts, but also sticks to his

guns when it comes to award-ing different cups to different

sexes. "Women can be great

skiers, but they can't compete

with men where muscle is con-cerned," he says.

tric Railway Cup - donated by Jungfrau Regional Railways -

is now eagerly awaited. The

rules change every year.
"Sometimes the skier who performs the worst wins the con,"

says Zvegintzov with a mis-

chievous grin. "We may hold a spot check for what skiers are

carrying in their pockets and score points for the contents -

two points for chewing gum,

five points for a bunch of keys

- things like that."
Almost 10 years ago, the

The race for the more eccen-

number of times."

39 years to run.

bright Sunday morning composure, and demonstrated

schoolhouse and cottages Scarcity value means that these houses usually sell quickly, szys Peter Debenham of Smifns Gore, which offers the Repple house at \$240,000. If they have land, they sell

even more quickly. People like to own fields, although it is not always clear what they will do with them. Keeping a horse is one option, or letting a farmer graze sheep is another. J.M. Clark and Smiths Gore list sev-

eral houses of this type in the £200,000 £300,000 range. In the Tyne valley, half an hour from Newcastle slong the A69, and close to Newcastle airport, prices are higher. J.M. Clark's Keenleyside Hill with 20 acres, six bedrooms and out-buildings costs £240,000 in Allendale, which is halfway between Newcastle and Car-

lisle.
The market has been flat, Debenham reports, with signs of improvement after the November Budget. In the recession, prices did not fall as sharply as in the south east or East Anglia. But they have not

risen much since, either. One Northumbrian market is doing well: cottages are popular, even those needing full modernisation. They are especially welcome if they have two or three acres of land. Typically, a former gamekeeper's cottage needing work, with three acres, would sell for around £100,000.

Compared to properties in the rectory and farmhouse range, these cottages offer less house for more money.

Occasionally, a stately home comes on the market. Near Hexham, Savills (in York) offers Matien Hall, a Victorian "baronial" plie added to a Jacobean original. Until recently it was a Cheshire Home. It could make a hotel or conference centre. The owner will consider a sale or lease. The park has become a smart new golf course, which is not for sale.

Across the Scottish border, in Berwickshire, Sale and Humberts are marketing a 2,000-acre agricultural estate with a pheasant shoot and an attractive house for £4m. KFR (in Edinburgh) asks for offers above £300,000 for a lovely late Georgian dower house in Birgham near Coldstream, which overlooks the river Tweed and Northumberland

■ J.M. Clark, Hexham (01434-605441); Knight Frank & Rutley, Edinburgh (0131-225 8171); Humberts (0171-629 0909); Sale, Wooler (01668-281611); Savills, York (01904-620731); Smiths Gore, Corbridge (01434-632001).

was filmed throwing beer and

of any lingering remnants of a

lager-lout reputation without

curtailing the high-spirits of

some of its younger members. But there is a delicious

rumour - circulated by mem-

bers themselves - that a few

years ago the club was infil-trated by some slightly shady Londoners (who seemed to have had little trouble coping

with the strength of the Swiss

franc) and had vague connec-tions with some bouncers who

once worked for the Richard-

said one senior member. "Well, we didn't want to upset them.

And besides, it proves to out-

siders that we're not all toffs!"

Arnie Wilson travelled with Crystal Holidays, Crystal House, Arlington Road, Surbi-

ton, Surrey KT6 6BW. Tel:

0181-399 5144 Market Brunner, Wengen. Tel:

■ DHO: Membership Secretary

Michael Brunner, Cedarwoood House, West Green. Barrington, Cambs CB2 5SA. Tel:

"Why did we let them join?"

documentary, On the Piste, in which a Hooray Henry element



Motoring

The danger that lies behind you

Stuart Marshall on why drivers should load their cars carefully

one. A swerve to the nearside to avoid a evelist who suddenly decided not to turn right after all led to the car hitting the kerb and then a

roadside tree. The driver was belted in: the front end of the car crushed shock-absorbently just as it was supposed to. The doctor in the casualty department was surprised to find the driver had a nasty wound to the back of

Waking next morning in hospital, the driver remembered the first aid kit in a metal box he carried on the rear parcel shelf. When he had hit the tree it flew forward and knocked

I thought of this story as I read the latest issue of Which?, the Consumer's Association's monthly magazine. Which?, campaigning as always for cars-to be made safer, points out that luggage being hurled forward in a crash can cause a lot

of damage to passengers. It says that when cars are crash-tested, they should have a weight of luggage in the boot or load space proportionate to their carrying capacity - say 70kg in a typical supermini. And that the manufacturers should do more to prevent runaway luggage from squashing rear seat passengers between the backrest and their seat belt. The Consumer's Association certainly has a point. But is there not a balance to be

bread rolls at one another. The incident is still talked about with distaste, and since then the club has tried to rid itself boots extendable by folding the rear seat backrest. Very convement it is, too, if you are try-ing to carry something as awkward as a bicycle. Hatchbacks and estates are popular because they combine most of the virtues of both passenger car and bulky load carrier.
As every Volvo car hand-

book points out, in a 30mph/ 50kph impact a 20kg object weighs the equivalent of one tonne. And a 100kg object, five

Any folding seatback strong enough to withstand this force on its own without giving way would have to be engineered like Tower Bridge and its catches might take nearly as long to open. Is this what car

buyers really want?
There can be no argument that rear seat backrests should be made stronger if tests reveal dangerous weaknesses, but there is a limit to what can be done. Nor should we forget that drivers of cars with full luggage compartments have certain responsibilities. Volvo, which claims to be

alone in providing proper lap-

s accidents go, it and-diagonal seat belts for all was quite a small three rear passengers in its estate cars, does as much - if not more than - any manufacturer to ensure that luggage stays where it belongs in a

> It offers the following advice: load the cargo against the backrest; keep heavy items as low as possible; secure the load with straps, using eyelets provided on the cargo space floor. Place wide items on either side of the rear seat split. If no one is using the rear seat, fasten the seat belts to reinforce

the backrest. And never load up higher than the backrest without using a Volvo accessory cargo net or guard.

Mercedes-Benz, which has crash-tested many heavily laden estate cars, tells me the locks on its folding rear seats are extremely strong.

Owners are still recom-

and use the standard equip-ment cargo net as additional protection - it works with the

Common sense should stop anyone from putting first aid kits, radios or torches on a saloon's rear parcel shelf

rear seat folded or upright. Volvo's advice to keep heavy objects low is echoed by Mercedes-Benz, which points out that its estate cars' load space carrying capacity has always been measured only as far up as the window line.

Common sense alone should stop any driver from putting first aid kits, portable radios, torches, small dogs – even umbrellas or walking sticks on the rear parcel shelf of a

Yet one sees it being done every day. Plenty of estate owners fill the back seat with their children, cram the load space with luggage from floor to roof and then, without so much as a cargo net, set off to drive hundreds of miles, often

at high speed. So long as imperfect human beings drive them, there can never be a completely safe

But is it not every motorist's duty to be properly aware of the risks - from slippery road conditions to a heavily laden boot - and to drive accord-

A race through the clouds

weather and snow conditions early. To a man, the ladies hit

Peter Whitehead joins hundreds of competitors in a Swiss village

skier of no great fit-ness who had only ness who nau arrived in the resort the day before, I would have preferred to have avoided black runs. Now, I was being asked to race down one.

But 17 minutes later, I was handed a small medal, a souvenir awarded to all who complete the course of the annual Weisse Schuss race in the Swiss resort of Flims/Laax. The race, an annual event,

attracts hundreds of competitors for its two days of racing on the last weekend in January - team races take place on Saturday, individual on Sun-

It takes its name from the nature of the course – a fairly easy 14km which can be schussed almost all the way by those with leg muscles made of wire cabling.

The Platt Alva section, however, cannot be schussed. It is perhaps the most difficult section of piste in the White

Arena, the linked ski area hear one of our group asking the way; I stopped, lost and bewildered, and waited for a above the villages of Flims and Laax. And it lurks menacingly half way down the course. following group to guide me back to the course. This was For this year's race, however, high winds and snow had closed the Vorab glacier, which is normally the start. hardly racing.

Yet as I peered into the gloom and tumbled along, serious racers, appearing as giants in tight Lycra suits, flashed past. Did we really belong on the same mountain?

At the bottom, however, medals were handed to hares and tortoises alike: everyone was a hero in the egalitarian paradise that lay beyond the finishing line.

come more. He said Flims needed a big event to put it on the map.

Still glowing with achieve-

vistas are faptastic when the wards transporting skiers to the lower half of Flims, called It is also far from crowded. Flims-Dorf, from where the Few Britons go there and the hotel managers in Flims want to know why: Peter Hotz at the Hotel Adula would wel-

So I studied the map that evening, and wondered why Flims is not better known. Access is not a problem -Films is on the main road and the 90-mile, 90-minute drive from Zurich airport is mostly motorway. Flims village almost large enough to be ment, we set off to explore the called a town - straggles

main ski lifts depart.
The upper half of the village is Flims-Waldhaus, developed around the top-of-the-range Park Hotel, built as a health retreat. The hotel's main retreat. The hotel's main buildings, set in extensive grounds, are linked by underground tunnels and covered walkways. Manager Josef Müller delights in showing guests around his hotel and the museum he has established there: on our tour we enjoyed aperitifs in the wine

ration, I can do much better in the Weisse Schuss.

My team finished 94th out of

114, with a combined time of 38 minutes. Home advantage helped Films Ski Chab win in 23% minutes, while the last team on the list was "Abgm-acht", whose four skiers took a combined time of well over 1½ hours. They must have been well and truly lost in the clouds.

Peter Whitehead travelled to Flims with Powder Byrne (4 Alice Court, 116 Putney Bridge Road, London SW15 2NQ, tel-0181-871 3300; fax: 0181-871 3322) and stayed at the Park Hotel. Entering the Flims/Laax Weisse Schuss can either be handled by a tour operator such as Pouder Byrne, or by contacting Tina Theus at the Flims Tourist Office (tel: 081 39 10 22). cellar and our soup course in Entries must be in at least one the old bakery, before return month before the date of the Flims/Laax skiing area. There is a good week's worth of skiing on varied pistes and in easily-reached powder. The surry backwards and for-

Fun on four wheels

here is nothing quite like Fiat's Cinquecento Sporting. This tiny - only 3.2m (10ft 6ins) overall three-door seats four adults with more than generous head-room, looks and feels like a baby GTi and costs a mere £6.195.

On paper, its performance a maximum speed of about 98mph/150kph and 0-62mph/0-100kph acceleration in 142 sec-onds – is nothing to write home about but the impression from behind the wheel is of a shetland pony crossed with a racehorse. Or in other words, fun on four wheels.

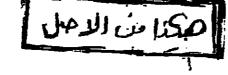
Its 1.1-litre, 54 horsepower engine and 5-speed gearbox are derived from those used in the larger Fiat Punto. The gearchange is sweetness itself, the brakes powerful and the general level of refinement surprisingly high.

Low profile 55 series tyres on alloy wheels provide instant response without making the non-powered steering unacceptably heavy for parking. Electric windows, body-colour bumpers and seat belts in racing red complete the sporting package. Few cars would be handier in town.

MOTORS

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Il gardening is land-

scape painting ..."
said Alexander

Pope in 1734, "just like a landscape

himg up." At present, garden-

paintings, but gardeners and garden-watchers should cer-tainly not miss it. The texts

and drawings describe an

evolving garden, whose changes run like a serpentine

path through the peer's life. The Third Earl of Burlington

began to plant seriously in 1717, when he was 23. He did

not have a Dip. Hort. and there

is no sign that his widowed mother, Juliana Noel, had any

She had already sent him on

a Grand Tour of Europe, which had been prolonged at the

Dutch and French end. and

had focused lengthily on Rome.

Its cultural purpose was, how-ever, justified by the young lord's love of music and his

eventual friendship with Han-

particular taste in landscape.

Gardening

Patron saint of landscape design

Robin Lane Fox views the Royal Academy's tribute to the Third Earl of Burlington

ing seems more like paddling, but ideals lift us out of the puddles, and this week I have been uplifted by the idealised A second tour and further landscapes at the Royal Academy exhibition The Palladian study of prints and drawings turned the Earl into a superb Revival: Lord Burlington, His Villa and Garden at Chiswick. classical architect, who built an immortal villa at Chiswick Until April 2 you can revisit in the great age of amateur designers. During the years of the gardens and architecture of the young Lord Burlington, marriage to Dorothy Savile, architect of the best of early Georgian houses and landscape the frustrations of public life and financial pressure are reflected in an evolving style, The exhibition has no great adapting to the new times.

Burlington's gardening endeavours begin with fashion-able formality, but in the 1730s his protégé, the witty, inven-tive William Kent - "Kentino" as Lady Burlington affectionately called him - intervenes. A cluster of enchanting drawings, the pearls of this exhibi-tion, will delight anyone who likes humour and style.

As a result of the many influences, the gardens at Chiswick House reflect many different styles. John Harris, the distinguished author of the exhibition's catalogue, describes in excellent detail how the house grew up piecemeal over 20 years. And, as we follow the path of Burlington's changing vision, we modern gardeners come to realise his role as our

In one particular venture he has certainly been mine.In 1717, Burlington began work on the garden of his inherited property at Chiswick. He had much admired the grand gar-dens in France that had avenues which radiated on the pattern of a goose's foot, known as the patte d'oie. His plan created a similar pattern of avenues, radiating outwards on the intended axis of his new, second villa. However, at Chiswick, Burlington planted three avenues, not the usual

wanted my own patte d'oie, but it was only seven years ago that I began to plant one and, following Burlington's pattern, I now have a well-developed threesome. The difference is that I planted a fivesome, but I made the mistake of planting a different type of tree along the outer two toes and had to remove them in the third year of growth because they clashed with my mainstay: clipped trees of the flowering pear, *rus* "Chanticleer

Long before I was 23. I too

I also see that Burlington's avenues have several differences from mine. His are much

ed by Rysbrack in 1729-30 before the buildings were de The 'patte d'oie' at Chiswick

thicker and grander because they use tall trees with trimmed trunks in front of the thickly-clipped hedges. Historians naturally connect

this formal design with Bur-lington's architectural taste. The young Burlington became a committed Palladian, and his villa in Chiswick is still an early flagship of our Palladian

The Palladian factor is central to the exhibition and many historians have thought it was central to the concept of triple avenues. Art historians have suggested that he borrowed the idea from theatre-sets, especially from the Teatro Olym-

Palladio himself. However, in the catalogue, John Harris raises a credible doubt.

The avenues all lead up elegant buildings built at different times - a Doric temple. an Italianate bath-house and a rustic arch. He therefore believes that Burlington began

with only one avenue, down the centre, added a left one and later, a right one.

He also points out the irregu-larity of their spacing on the right hand side. "Ad hoc gardening is characteristic of Burlington throughout his whole time at Chiswick," he says.

I am sure Harris is right that the avenues were not created at the same time because the buildings were built at differ-ent times, but another reason might have been the cost.

My own avenues are waiting for a lucky strike or a Heritage grant so I can construct my "Millennium memorials" in three of the avenues: "the Tomb of Foxhunting", "the Tomb of Classical Education" and in the centre, the "Imagi-nary Tomb of Alexander the Great", for which there are now even more prospective Greek architects, since the false starts in Egypt over the past fortnight or so.

There is no doubt that Burlington owed a debt to Palladio, but what is not emphasised in the text accompanying the exhibition is the role played by France, where Burlington had travelled exten-

sively and whose influence in Britain was already becoming prominent. The patte d'oie existed at Hampton Court in French imitation, and on a titanic scale was to be applied to my own ancestors' Yorkshire gardens in the 1720s. In these cases Palladio had noth-

ing directly to do with it. However, when William Kent came along in the 1730s, there was plenty of scope for roman-tic extension and thinning to

open out views. Kent's marvellous sketches which date from this period at Chiswick not only suggest an enchanting use of trees with cleanly-trimmed trunks, framing the banks of a pair of natural ponds (owners of water should look carefully at his suggestion), but also demonstrate a wit which otherwise reminds me of the later Rex

Whistler. In a famous sketch, Kent shows himself sleeping by Burlington's great obelisk at Chiswick, while the rabbits gather to hold hands and play around

in 1732 he sent the drawing to his great patron, writing: "Ye obelisk looks well. I lay there the other night, but though I love it, was too melancholy for want of him I wish

The sketch is a fitting epigraph for commuting garden ers and partners, whose weekend efforts could gain much from the contents of this exhi-

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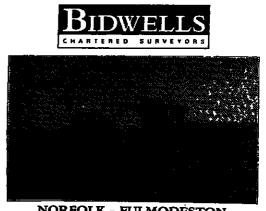
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Where dreams can cost £2,500 a night

Paul Betts revisits some of his old haunts in Paris and enjoys a night of luxury at the Crillon

ager of the Crillon, says guests enter the marble lobby of his hotel dreaming and his job is to ensure they go on doing that. With double rooms starting at around £400 a night, and suites costing anything up to £2,500, he might have added they never want to wake up.
I had always dreamed of spending a night in this 18th century Parisian palace overlooking the Place de la Con-

corde. When I lived in Paris, I used to walk past it on my way to work. There were always gen-darmes with their motorcycles near the door, the flag of a foreign head of state fluttering on the roof; a Bentley, a Ferrari and a series of black or grey official Renaults and Peugeots with their chauffeurs arguing with the taxi drivers on the rank on the other side of the pavement.

The Crillon seemed to be part of the patrimony of France, just like the Elysée Palace up the road or the National Assembly across the square on the left bank of the

It also had something of Arnold Bennett's Grand Babysecrets, political and big business conspiracy, glittering princesses, banana republic dictators, divas and rock stars. I attended several functions in the hotel's panelled salons. I once had dinner in the restaurant, Les Ambassadeurs, a mini hall of mirrors with its frescoes, its stunning display of marquetry combining six different kinds of marble, and drinks at the bar which

onsieur Hervé became the office of the late deaf aids in their ears. "We've Houdré, the Sam White, the much missed dapper man-Paris correspondent of the Lon-Véronique Brown, the hotel's don Evening Standard.

So when I was invited to spend a night at the Crillon, I jumped into the Eurostar, another new experience after years of commuting by air and languishing miserable hours in crowded airport lounges. Breakfast on the train was high quality aircraft food and not, unfortunately, a good

More gendarmes than usual were outside the hotel. The lobby was filled with security guards

old-fashioned British Rail breakfast or the sumptuous food served on the Golden Arrow, which I used to take as a child going to school.

It was pouring with rain in Kent when the train plunged under the Channel, Somehow coming out of the tunnel, I expected to see sunshine, palm trees, parasols open outside street cafés. It was raining even harder in France as the train accelerated to its 186mph cruising speed. By the time it reached Paris, I was converted. I had left home at 6.15am and I was standing in front of the Crillon, at noon French time. ready for an aperitif and lunch.

There were more gendarmes than usual outside the hotel. The lobby was filled with security guards twiddling huge

got Meryl Streep staying," said Véronique Brown, the hotel's public relations officer. Even in a country that venerates and decorates American film stars, this hardly justified the firepower in the lobby. It turned out that the prime minister of Quebec had taken the suite next to Ms Streep. It still seemed a bit exces-sive. Was this a hotel or a gov-

ernment luxury guest house? When it was first built more than 200 years ago, the idea was to use the palace to house all the ambassadors to the French court. It never worked. Instead, it was converted into a hotel, now under the owner-ship of the Taittinger cham-

pagne family. It claims to be the only luxury hotel in Paris still under French control: The Bristol is owned by Germans, the Ritz by Al Fayed, the Plaza Athénée and Georges V by Forte. "We belong to Paris," said Houdré readjusting the smoked salmon on a tiny canapé. But he quickly added that the Crillon remained fiercely independent and competed with everyone

"We fight the idea we are somehow state owned. Some people won't stay here because they think we are government controlled," Houdré explained. It was the hotel's location and its high standards that continued to attract heads of state from the world over. "We call it in France l'art de vivre and l'art de recevoir, he said.

else for government business.

My night in the Crillon was like any night in a big comfortable bed, but it also filled me with nostalgia. I was not in a £2,500 a night suite on the Place de la Concorde, but in an at the very end of a long corri-



and a small café.
It reminded me of my old flat

in Paris in the Rue Jean Mermoz just further up the Faubourg St Honoré. Not that the flat was anything as luxurious as the Crillon room but it had the same atmosphere of old France. The ancient oak floors creeked under the carpets; the same panelling on the walls and large windows with their big brass fixtures; and at one end a marble fireplace with its

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ornamental mirror. I woke up to the familiar morning sounds of Paris: the

dor overlooking a side street rubbish vans, the water run- her black poodle. "Eh bien, ning down the drains and the street sweeper brushing the pavement clean.

> The young waiter - the average age of staff at the Crillon is only 32 - knocked on the door and pushed in a breakfast trolley. It was all very nice, but I could not resist going down a little later to the bistro to gulp another coffee and a croissant at the counter.

I walked back to my old haunts. Charlotte, the concierge, a friendly 74-year-old dragon, was hosing down the inner courtyard watched by

vous allez au Crillon mainten-ant." She still had a portrait of Giscard d'Estaing in her porter's lodge bed-sitting room, but she was going to vote for Edouard Balladur in the presi-

dential election. "Il est bien, vous samez il est turc." With the prospect of France electing a Turk as its next president, I wandered off. The butcher was still there and so was the cheese shop and the cobbler. But other local businesses had gone. Saddest was the discovery that the colour-

ful street market, in a passage

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close to the Crillon and leading into the Rue Royale, had disappeared and been replaced by a

"Paris risks losing its soul," a Parisian friend said the night before over dinner. "Too much new development is driving the simple people and the small shops out of the heart of the city. If Paris is to retain its special character, it must be careful not to tilt the delicate balance between its culture and money."

The scars are already visible. As I left the Crillon, I took one last look at the famous obelisk at the centre of the Place de la Concorde. It is already cracking and is coming under growing attack from traffic and pollution. By the turn of the century, at the latest, this

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Seattle: educated, tolerant and wet

Nicholas Woodsworth visits the Pacific Northwest and the most enthusiastically middle-class city in the US

America, I grow hopeful for the sanity of the continent. I am more or less inured by now to its everyday dreadfulness - shopping malls, one-murder-a-day cities, televi-sion talk-shows and the like. But every visit brings new, one-off wonders: the Gulf, Haiti, Ross Perot's cracker barrel, Nancy Kerrigan's knee, the Bobbitt carving knife, the O.J. Simpson trial, Alvin and Heidi

becoming wholly superfluous. From Orlando improbable fantasy is spreading outwards like a stain, engulfing the entire

arc, searching for optimum distance, I fall on Seattle, more than 3,000 miles away in the misty Pacific Northwest.

thest you can get from Mickey Mouse without falling into the

Seatac Airport: Perhaps the string method is not so daft after all - Seattle is nothing like Florida. It is raining when I get off the aircraft, and continues to rain steadily thereaf ter, a fine drizzle sifting down from a low and heavy sky. Nor are there any orange groves here - soggy, brooding forests of Douglas fir take their place.

It all seems a bit grim at first. On the other hand, tourists stand an excellent chance of making it into town without getting their airport rental car attended to by crack-crazed highjackers. Even on city streets they feel safe. The low crime rate here is one of those indices which has won Seattle numerous "most liveable-in city in America" awards. The high precipitation rate is not one of those indices, of course, but it cannot do any harm anyone else of hanging about

pour.

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ter risked in ferm words of

Boeing Field: Approaching Seattle along the Interstate 5 is like driving beside an endless airport runway. This is simply a shuttle bus I am travelling on, but as we drive past Boeing Field and the Boeing Corporation headquarters, the driver cannot resist pointing out, among the aircraft lined up by the runway, the brand new 777s due for delivery to United

Toffler, Newt Gingrich. Who needs Disneyland? It is

country. Where to escape it? On a US map I stick a tack into Orlando. Swinging the attached string about in an

Seattle it is, then - the far-

Airlines in May. There is proprietorial pride in his tone - as well there might be. If ever there was a company town it is Seattle. With the larger part of the world's civil aircraft production in its hands, Boeing employs 90,000 workers in the area, and one job in four here pends on the company. Seattle rush-hours, unlike anywhere else in the world, begin at 5.30am and 2.30pm - the

Seattle's health depends on Boeing's health. Right now company engineer sitting beside me says sadly. But Boeing and Seattle have known problems before and survived. In the early 1970s, in what became known as the Boeing Crash, the company was forced to lay off 60,000 workers. Seattleites moved out in droves. "Would the last one to leave town please turn out the

lights," read one billboard.

times that shifts change at

Starbucks' Coffeehouse: Oddly enough, Seattle has little of the corporate feel to it. There is

none of the management elitism, none of the blue-collar populism that characterises most American cities. The reasons begin with Boeing - in the aerospace and other hightech industries based here. unskilled workers are a minority. It is technicians, designers, engineers, researchers, aca-

Enthusiasm for

Stirring in Seattle: rush-hours begin at 5.50em and 2.30pm - the times that shifts change at the Boeing plants

the arts, for books, for serious discussion is common here

demics and white-collar workers who give the city its pro-file, and make it America's most enthusiastically middleclass city.

Sit eavesdropping in any public place - restaurant, theatre, or that most ubiquitous of Seattle institutions, the coffee bar, and you will soon realise that this is a sophisticated. well-educated, tolerant, liberal and democratic town. It may

be the only one left, but this is

Bill Clinton's kind of town. The couple to my left drinking café latte are avidly discussing Carl Orff's Carmina

band Nirvana.

Burana, the latest co-offering by the city's Pacific Northwest Ballet and the Seattle Symphony Chorale. The couple to my right, younger, hipper, and buzzing along on double pressos, are discussing the fate of home-grown Seattle Sound grunge-rock - a musical style that has swept the nation since the suicide of Kurt Cobain, star-member of rock

Enthusiasm for the arts, for common here. It may have something to do with long, wet winters. Seattle offers a range of music, dance, theatre, opera, museums and galleries that makes it the undisputed capi-tal of the Pacific Northwest.

Pioneer Square: On Saturday night I wander down to the oldest part of the city to listen to the blues at a club called Larry's. Nothing is very old in America, and here, among turn-of-the-century brick buildings, one gets a sense of the

rawness, the unfinished history, the continuing settlement of the American West.

"Manifest destiny", the term used by historians for the relentless urge that pushed American pioneers ever closer to the Pacific Ocean, is too grand to apply to the hoboes, the alcoholics and the home less who spend their nights on the benches of Pioneer Square "Westward drift" might be more apt a term, but it is the same thing. From its founding, Seattle, the end of the line, has been a city of immigrants, of dissatisfied, westward-moving

from old lives to begin anew. Not all succeeded. Not far from Pioneer Square is the original "Skid Row". Initially a site where cut timber was skidded down Seattle's steep water front hillside on the way to the haunt for an early generation of drunks and drifters, for the

restless who never made it.

Nordstrom's department store: Most new Seattleites, however, did make it. I enjoy standing by the sidewalk coffee-cart

parked outside Nordstrom's and watching the unfailing politeness of Seattle's citizens. They are calm, quiet, decorous. Drivers do not honk horns in

this town; pedestrians, without a car in sight, would not even dream of crossing the street on

Where does this dignified Enterprises continue to attract talented. well-educated

manner come from, I ask my fellow coffee drinkers. "From the same place the coffee habit came from," some of them answer. A good number of Seattle's earlier immigrants, it seems, were Swedish loggers and fishermen. They brought their natural Scandinavian

reserve with them. "From the Northwest woods," answer others. Introspection and quiet contempla-

tion, they tell, is the result of

tronic art collection. Seattle's generations-old high-tech boom finds its most successful expression today in

vation, including. I am told, computers in each room generating images from Gates's elec-

Gates's Microsoft Corporation, whose software is installed in 85 per cent of the world's com

Such enterprises continue attracting talented, well edu-cated youth to Seattle, many of them, like Microsoft itself, unconventional, individualist and unimpressed by the tradi tional methods of Big Business They all leave their stamp on the city.

Pike Place Market: Money and career opportunities alone however, are not what draw people to Scattle. For while Bill Gates's whichkuls are puslang back the frontiers of cyber space, what they demand of the city they live in is a partieular quality of life. Scattle, as Jonathan Raban, the seadowing English writer and recent immigrant, observes, is the first city to which people move to be closer to nature

The heart and soul of Scattle is the downtown Pike Place Market, a collection of covered buildings straggling along the waterfront, Standing in it. 1 find myself surrounded by the natural wealth of the Northwest - a cornucopia of seafood from tidal waters, fish from the open sea, wild produce from the forests, rich form fare from

the mountain valleys beyond But this is merely a taste of the outdoors. Raising my eyes just a little higher. I can actually see what Raban means. Even downtown Seattle sits on nature's deorstep. In front lies Puget Sound, a complex maze of islands, passageways, inlets and estuaries. Beyond it rises the wild country of the Olym-

pic peninsula. Behind the city sit Mount Rainier and the Cascade Range. To the south stretches the long Pacific coastline. It is all accessible within minutes. Lake Washington: The lure of the most avid small-boat sail-

ors and four-by-four drivers in the US, escape to it. Seattleites like their isolation, their peace, their rainy forests. It is what gives the sophisticated urbanity of Seattle its meaning. What surrounds them is not untouched nature, but it is the closest you can get to it in America these get from Orlando, Washington and other American Disney

■ Nicholas Woodsworth trat elled with United Airlines from

Migratory fish face danger everywhere: Michael Wigan examines sealice in Scotland; Nicholas Woodsworth looks at a US threat

Danger run

Continued from Page I

been fiercely attacked by Nasco, but Windsor says he is concerned about the trade in contraband fish shipped through Polish ports to Switzerland, where dealers are happy to pay a premium for the wild creature. Among the owners of British

salmon rivers, those who fish them and the ghillies who tend them, there has been a dawning enlightenment. There are still proprietors bent on squeezing every last penny from their property; and fishermen who, having paid their whack, regard themselves as entitled to do what they like and kill what they like. But the ignorant are in a minority. Dr Derek Mills of Edinburgh University, perhaps the leading

authority in the UK on salmon, says he is optimistic because of a general change in attitudes. Conservation, habitat enhancement, stocking programmes, encouragement for spawning, and restrictions on catches are all generally accepted. On the Tweed, said Mills, anglers last season returned alive an estimated

3,000 salmon, about a quarter

of the total catch. A few years ago this would have had ghillies choking on their drams. There is, however, one dark cloud which will not be driven away, and which no one seems to be able to do much about: the annihilation of the spring runs. Traditionally, this was the best of the fishing, when the big powerful silver salmon pushed into the rivers in the raw, bracing months between

In general, they have diminished to a trickle. The runs come much later. Either in the summer, when they are made up of the smaller fish known as grilse, or in the autumn, when the salmon rapidly lose their silver burnish and their condition. Though they still make up the catch numbers in

of which anglers dream. On the Aberdeenshire Dee,

the most celebrated spring river in Britain, crisis mea-sures have been taken. These include a shorter season, a ban on spinning, and a bag limit of one fish per angler per week. On the Wye - where catches have been in free fall - the National Rivers Authority has shortened the season, and banned spinning on much of the river. This is akin to telling a golfer that he is welcome to stand on the tee and swing his club, as long as he refrains from striking the ball. In theory, the response in

the most critical cases should be to stop fishing altogether until the salmon arrive in numbers. This, in effect, is what has happened on rivers in southern England such as the Itchen, the Test, and the Hampshire Avon, where the stocks are so pitiful that hardly anyone bothers to fish

for salmon any more. But elsewhere, the sport is too important to owners, ghilhotels and tackle shops for fishing to be stopped.

One over-arching question remains: the extent to which the decline of the great salmon runs may have been caused by forces of nature. The timing of salmon runs has varied through the ages, with the main weight shifting from spring to autumn and back to spring. The evidence also suggests that the overall abundance of fish has varied enormously through the centuries, the variations probably result-ing from changes in ocean temperature and the waxing and waning of food supplies.

late winter and the start of Mills says we should focus on what nature does provide. If refrain from conspiring against the salmon, if we ease its way as best we can, if we attack pollution and protect and enhance the habitat at sea and in fresh water, we shall be doing all we can to ensure that the great journey goes on.

n the last 15 years, the sea lochs of the west Scottish Highlands have become some of the most intensively farmed sea aquaculture waters in the world, producing 60,000 tonnes of farmed salmon

There are visible changes salmon "cages", and attendant jetties and warehouses. But beneath the surface of these shallow waters, only partly refreshed by the tides, swarms a highly contentious salmon-farm by-product, the sealouse. Anglers argue that salmon farms are to blame. Sealice, proliferate at an astonishing rate in dense populations of salmon. Controlling them is one of salmon farming's biggest costs. While the fish are still small another fish, the goldfish-like sea wrasse, can be used to graze the lice but, as the salmon grow, chemicals are needed.

The most effective chemical, Nuvan, is prohibited because of its wider environmental side-effects, so British salmon farmers spend large sums on hydrogen peroxide.
Once, salmon fishermen find-

ing the sealice on their silver spring fish would exult. Sealice

restoration could save it.

vast Columbia river basin up

which the fish travel to snawn.

salmon used to be king.

North-west US stocks provided

most of the tinned salmon

throughout the world. So

abundant was the fish that

locally, as recently as the

1950s, hamburger meat had

Today, says the US Wilder-

ness Society, all but one of the

west coast's nine ocean-going

salmon species are extinct or

at risk of extinction over most

more prestige.

n the Pacific North

west coast of the US, the salmon's

Parasite of the lochs drop off after 48 hours in fresh water and their presence proved the fish's freshness. But sealice are a threat to young smolts, the two to three year old juvenile fish which in April

and May migrate to sea.

They attach themselves to smolts while the young fish are adapting to saline water in estuaries and feed off the fish's mucous membrane – a sensitive, protective coating. Then the sealice start consuming the flesh of the smolt; sealice covered seatrout have been found with no trace of a dorsal fin. The Norwegians have shown that 30 sealice can be lethal to smolts; fish off Britain have been found carrying more than 1,000.

Spent salmon or "kelts". returning to sea after the nutritionless spawning period in winter rivers, are also hit by sealice. In the longer sea lochs, fish survival is more difficult, for there is a longer gauntlet of salmon cages to run.

Dr Ken Whelan of the Burrishoole Research Station in



Salmon under attack: 30 sealice can kill a smolt: some carry 1,000

Ireland spent four years researching smolt deaths. By 1989, the Burrishoole seatrout run, once numbered in thousands, was down to 20 fish. Whelan worked through 18 theoretical explanations. Then, in April 1990, disease-stricken salmon cages were towed out of the sea lough by salmon farmers and events took a

revealing turn. Seatrout numbers started to rise. When, in January 1992, fish farmers towed the cages back, even finnock (seatrout present in the sea for only a few summer months) were struck by sealice.

Salmon farmers bave responded by exploiting the gaps in knowledge about seatrout. Whelan's finding that seatrout smolts initially hug the coast was unsuspected. Their life in open sea remains

dyes. Whelan discovered on the River Erriff that, contrary to popular belief, seatrout poor homing instinct.

being surrounded by nature, of

confronting the vast emptiness

of the Northwest. It leads to a

"And what does that mean?"

ask when a driver most

unhumbly blasts his car horn

outside Nordstrom's. "That,"

answers one woman severely,

"means Californians." Seat-

tleites, while polite, also have a

reputation for coolness to

strangers. Invariably they

choose the cold Nordic shoul-

der over hot Latin anger. It is

Seattle persists. Not even recent arrivals like sharing

their city with later arrivals.

I have been invited to dinner in one of Seattle's swisher sub-

urbs, a place of broad green

lawns and high protective

shrubbery. Here, even the more modest homes weigh in

at \$2m-\$3m. My host, though.

directs my gaze across the

water to an even swisher sub-

urb and the home of Bill Gates.

It is an enormous and opulent

place, a 37,000 sq ft waterfront home with every possible inno-

What keeps them coming?

certain humbleness

Salmon farmers argued that caged stocks, which had been expensively cured of lice. Divers had seen wild fish gorg ing on falling fish farm food pellets. The farmers pointed out that sealice originate in the wild and that the seatrout decline began in the 1950s. prior to salmon farming. Although the disappearance of salmon and seatrout runs closely coincides with the geography of farm sites, there are

Salmon farming is a vital industry to the west coast of Scotland, supporting 2,000 direct jobs and worth £170m.

Happily, technical developments are unfolding which may overtake events. These concern salmon farming in the open sea. Salmon farmers believe this option is more

costly and open only to large-scale farmers. But it is being tried by the Lithgow Group as an exit from the embattled polities of estuaries.

Open sea fish farming, more common in Japan and the US. would erase the scalice issue: and it would free salmon farmers from the regulations affect ing estuaries with low tidal exchanges.

To some extent open sea salmon farming already exists in the sheltered waters off shipbuilding experience, has developed the technology for salmon cages which will with stand the battering of the open sea operation and, says Neil Rosie, of Lithgow's fish farming subsidiary Campbeltown Developments, fish farming at

Hugh Currie, the group's anaging director, said that they had found scalice eggs will not adhere in stronger

sea can cut costs.

water flows. Salmon farming at sea would allow the west coast fishery proprietors to start the long business of restoring runs to their emptying rivers.

Michael Wigan

Where salmon was king

survival hangs in the balance. As special interof their natural range. In 1994, ests vie for the stewardship of a ban was placed on salmon fishing in Washington state a diminishing resource, so critical is the damage being done to the salmon's habitat coastal waters. This affects that only radical ecological sports and commercial fishermen, plus a third party. After Along the Washington coast a bitter fight over the legal and on the tributaries of the

heritage of natural resources native American Indian tribes gained the right to 50 per cent of the annual salmon quotas. In anticipation of the eventual lifting of the ban, a secand and equally virulent confrontation over salmon is brewing: a sports-fishing lobby has filed an initiative in the Washington state legislature which, according to commer-

cial fishermen, would so limit

the commercial salmon take as

But even among the 700

to wipe out the industry.

boats of the Seattle fleet tied up at Fisherman's Terminal, there are cooler heads trying to see beyond the smoke of the immediate battle.

Ask Bradford Matsen, Pacific editor of National Fisherman, what he thinks of efforts to save the salmon and his politest response will be derisive langhter.

He admits there are innovative programmes that do have some effect. In the Columbia Basin, for example, heavy damming for hydro-electric purposes has hindered the natural salmon spawning cycle on many rivers. Spawning females are able to make their way upstream through fish ladders, but many fragile young fry on their way down-

stream are either blocked or destroyed in electrical turbines. The US Army Corps of Engineers runs a fleet of river barges equipped with vast holding tanks; the barges cap ture hundreds of thousands of salmon and transport them nast such dangers to their des-

tination, the sea. But it is not fish that need supervision over the long term, says Matsen, it is humans. And not simply humans bent on catching fish. Through poor management of watersheds and the rivers running through them, modern American society is destroying

the salmon's fragile habitat

and inevitably, the fish itself.

The causes are legion. For-

estry activities affect river

drainage and flooding, which damage streambed spawning gravel. Power dams and irrigation projects hinder the passage of fish, alter water temperature, and change patterns of water flow.

Effluent from manufacturing, and run-off from cropfarming and mining pollute the water. Transportation, urbanisation and industriali. sation all have multiple effects on streams and rivers. The "Save our Wild Salmon Coalition" list 54 different sources of environmental degradation in America's porthwestern riv-

The "salmon crisis" in the Pacific northwest is a human crisis. says Matsen - the health of the salmon is a mir-

whole. What is needed is the restoration and protection of a natural system that has been badly unbalanced. Can the balance of the natural world be re-established in

ror reflecting the health, or ill

health, of man's world as a

one of the world's most heavily industrialised couptries? Plans, strategies and programmes for the renaissance of the salmon are being

spawned in ever greater num-But the political and economic complexities of taking on power, mining and logging companies, agricultural lob-

ufacturing businesses are chal-The final triumph of the salmon would be the triumph of our own species.

bies, land developers and man-

Nicholas Woodsworth

ain Sproat, minister responsi ble for sport, and I have been fretting about the state of British sport. But we have been looking for the answer in different places. Sproat travelled to Australia last month. I spent last Sunday on Hackney Marshes

spoke to journalists at a dinner at the Hilton hotel organised by the Sports Council The dinner was sponsored by Bass, the brewers, which at once tells you something about the direction of British sport.

Sproat visited Australia in the middle of England's disastrous cricket tour. While he was there he visited the various sports academies and institutes where Australia has trained a string of world class sports men and women. He con-fessed himself impressed. Most of those gathered at the Hilton expected him to announce that Britain planned to follow suit.

Instead, Sproat made vague complaints about the procrastinations and obstructions of civil servants and those in power over him. The truth is that Sproat is only a junior minister in the Department of Sport Funding/Peter Berlin

Who cares about the Goldfish?

Shortly after his return, Sproat

National Heritage. He might favour an elite sports institution but that does not mean Stephen Dorrell, National Heritage Secretary, will provide the cash. Sproat is limited to making changes that cost noth-

ing. Those he has been able to initiate are already taking effect.

Last year, Sproat altered the remit of the Sports Council (soon to become the English Sports Council, while Sproat conjures a UK Sports Council out of the air. Apart from causing confusion, no one seems sure what the UKSC will do). The English Sports Council is to concentrate on drug testing, administering sport's share of the national lottery, and on youth sport. It will cut its focus from well over 100 sports to "two or three dozen" and will stop encouraging sport for the old, the disabled or women. Sport For All, the council's old motto, is dead.

able. Its aim is to encourage as many young people as possible to play sport. This has two benefits. First, says Sproat, this is an unbackly constitute of children unhealthy generation of children. Second, the more participants, the greater the chance of unearthing those with elite potential.

The job of catering to those of us who have grown up as non-elite sports men and women falls to the local councils. Anyone who uses local council facilities will know how desperately stretched and under-maintained they often are. Local councils will be able to apply for lottery grants for capital projects but how they then maintain the facilities they build is less clear. The conditions attached to lottery grants will only increase the gap

between rich and poor. Applicants

must raise half the cash for a proj-

ect before they can apply for a which books early and is prepared grant. Only well-funded clubs and to forego the changing rooms can large bodies, such as councils, will

be able to improve facilities.

Local councils will thus have to cater more and more to users who can pay. For example: an evening game of 11-a side soccer or hockey on one of inner London's councilowned artificial pitches costs between £70 and £100. It is hardly surprising that on an average midweek evening these are being used not by local inner-city children but by teams of lawyers, bankers and journalists.

So I went to Hackney Marshes. London's public pitches are generally in an appalling state and, last week, the bumpy and windswept but well-drained Marshes' pitches were almost the only ones north of the Thames upon which games could be played. There, a team

to forego the changing rooms can pay as little as £20 for a pitch.

This does not mean the Marshes are the preserve of the poor foot- a player outside the changing baller. Instead, they are the home of rooms who was looking for a game. democratic soccer - a bastion of sport for all, where wealth and ability are no barrier to participation and enjoyment.

I went to look for the least elite players there. I found the Virtual Goldfish, one of the teams that call the Marshes home. It may seem unfair to single them out, but then, as Chris, in goal for their visitors the Greenwich Borough Hotshots said, as he glanced at the 40 games on neighbouring pitches: "I would hate to think there were any games worse than this."

The game had no goal nets and no referee. "It's a friendly, a very friendly," said Chris, "we've had

The game did not even have 22 players - indeed it only reached 21 ause the Hotshots had picked up a player outside the changing "He says he plays in the Diadora

league on Saturdays," said Chris as the young guest raced through the Goldfish defence to put the Hot-shots. 5-1 ahead. "Is there a team called Witham?"

The bulk of the players were not very young, not very fit and, even allowing for the wind and the surface, not very skilful. Yet they took their soccer seriously and they enioved it.

It is difficult to believe that any of the Goldfish were ever part of a sports elite. Yet Mark, goalkeeper for Hackney and Leyton strugglers

Meynell, once was. "Are you having fun?" I asked.

"No," he said. "I only do it so the other lads can have a game. uner 1805 can have a game. But when Mark starts talking about soccer he can hardly contain himself. He waves his hand across the marshes to conjure up memories of his childhood soccer 20 years earlier. The changing rooms were converted cowsheds and players washed their boots and themselves in troughs outside. He went from there to youth soccer at Tottenham

Hotspur, part of Sproat's elite.
He talks excitedly of his season with Enfield in the Goln league and boasts that Stuart Pearce and Vinnie Jones - both future internationals - were in the Wealdstone team that won the league that year. Ian Wright, the Arsenal and England striker, even played a game in the Enfield midfield. Then Mark broke a knee and ended up where he

started, on the Marshes. He never helped England win the World Cup. He dislikes losing and playing at less than his best, but to get up every Sunday morning in winter to play suggests that, for reasons even he cannot quite explain. Mark needs the sport. Iain Sproat

Rugby Union / Huw Richards

Small but brilliant

obert Jones, the Wales scrum-half, made an eloquent statement in the opening moments of his comeback match against France last month. Wales won a lineout, but untidily. As the ball bounced unnervingly, and a large French forward loomed, the 5ft 8in Jones gathered the ball and, with the same movement, sent it arrowing to outside-half Neil Jenkins.

It was an immediate reminder of the skills Wales had foregone for the previous

Jones, 29, wins his 50th cap today against England – only the third Welshman after JPR Williams (55) and Gareth Edwards (53) to reach the milestone. Jones belongs in

such elite company. The exile that ended in Paris was merely the longest of a series which have punctuated his career. Like Mikhail Gorb-achev or Adlai Stevenson, he

> Like Adlai Stevenson or Gorbachev, Robert Jones is best appreciated overseas

is better appreciated overseas. New Zealanders thought him the pick of the Welsh team that came third in the 1987 World Cup. Australians declared him the world's best scrum-half after he had schemed his club, Swansea, to victory against them in 1991. The South Africans wanted him to stay and qualify for them after his spell last year for Western Province.

sphere nations demand that scrum-halves should have quick hands and sharp minds. Time and space - measured in fractions of seconds and inches - are top-class rugby's scarcest commodity. The pass that gives an attacker either or both is the difference between a try-scoring move and one that ends in a midfield tackle or a kick to touch. Jones is in the classic Welsh

All three southern hemi-

mould. His two great Swansea predecessors Dickie Owen, capped 35 times before the first world war, and Haydn Tanner, 25 caps either side of the second world war, were famously quick and dextrous. So was Rex Willis, the Cardiff scrum-half whose rapid delivery gave Cliff Morgan the time d space to destroy defences in the 1950s.

That line was broken in the 1970s and 1980s. First came

Things have changed. Phil Tuf-nell's 1993 verdict: "I've done

the elephant and done the pov-

wo factors used to

prejudice cricketers

against tours of India:

squalor and umpires.

Edwards, then the giant Cardiff scrap merchant Terry Holmes. Edwards was the most devastatingly effective British player in any position in living memory. Holmes terrorised opponents with his bulk and power. Wales grew accustomed to a physically dominating figure at the base of the scrum, ready to take on opposing back rows and commit defenders.

The limitations of that approach were summed up by one follower shortly after Holmes went to rugby league: I was devastated when Terry left, but if he hadn't we'd still be asking why the backs wer-en't working."

But, in Welsh rugby's poorest spell for 60 years, Jones has been penalised for the failings of others. As well as a reminder of his talent, that Paris line-out was also reminiscent of many occasions on which his forwards' inadequacies have left him with a

thankless salvaging role. British fashion has been for the rugged, physically committed scrum-half - as much an extra loose forward as servicer of the backs. With limited possession and limited ambitions, Wales have constantly been tempted by, and periodically fallen for, rugged scrappers. It is a preference that has

ignored both Jones's ability to tackle above his weight, and the extra dimension his passing can bring to a talented back division. The World Cup in South

Africa will demand quickness and imagination and this has brought his restoration, just as it has seen Kyran Bracken into the England side at the expense of Dewi Morris.

But still Welsh doubts "You say Jones is a world–class player. How many matches has he won for Wales?" asked one critic. But nobody has won many matches for Wales in the last

he had the benefit of dominant forwards - the 1989 British Lions tour of Australia - he outplayed Australia's brilliant Nick Farr-Jones, habitually rated the top scrum-half of the past decade. His service injected new assurance into his half-back partner, England's Rob Andrew - previously an under-achiever at

remember the one game Jones unquestionably won: six years ago his tactical kicking and Bob Norster's control of the line-out overthrew England at

Wales may still question his in France have, at last, admitted that they are, to all intents and purposes, salaried memworld-class status. Opponents are in no doubt.



ngland's match against Wales today promises to be tense and exciting. Even elling to Cardiff must fear that the game will not live up to expectations England might steamroller the Welsh as they did France and Ireland. But, whether or not this afternoon provides a thrilling spectacle, even with four matches left in the five nations championship, what follows will be an anti-

This is because of the nature of the championship. A cup was introduced two seasons ago for the champions, but there is little value attached to it. The grand slam is all. Other On a rare occasion on which victories are without glory. If England and Scotland lose today no one can win the grand slam and the remaining fixtures will be devalued.

I will not win any friends in either country by saying this, but Scotland and Ireland are more an irritation than a threat in the five nations. Scotland won its first championship as late as 1984 and its second in 1990. Ireland won its Today, Wales will want to only grand slam in 1947. Currently, both are "rebuilding". Earlier in the week, Scotland made some rather pompous noises about withdrawing from today's fixture against France ecause some Scots who play

a game with Canada while the bers of their French clubs. The Scots were being foolhardy. other four teams were playing

The five nations championship

does not need Scotland as

much as Scotland needs the

five nations. Each team plays just four matches and meets each opponent at home only every other year. So a team's chance of winning the grand slam is greatly enhanced if it plays its first game at home, preferably against either France or England, the strongest teams.

Both are more likely to lose on

their travels. This season, Wales and Ireland lost their opening matches. Thus, after round one, only France, England and Scotland (who did not play) could win a grand slam. In round two, the French and English met at Twickenham where England won. This reduced the grand slam field to two. The chances are that only England will be left after

Some other way must be found to make the championship more of a competition. No one is pleased if a side loses its chances after one game.

The season ends today

Rugby Union / Derek Wyatt

there be a six nations championship? It is a possibility but hold the qualifying competi-Canada (who, like Argentina and Romania in the 1960s and 1970s, have found staying at

the first-round games. Could

the top difficult) do not deserve to be that team.

For the five nations, the grand slam is all. Other victories are without glory

Italy. The tournament would be played in two groups of three followed by semi-finals and a final

The committee responsible for organising the rugby world cup in 1999 wants the five nations championship to be a part of the qualifying tournament and is busy promoting the change. It fears that other-This year, Scotland arranged wise a European qualifying

tournament involving three or four of the five nations would be hard to schedule.

One alternative would be to tion in the first half of the season. But that would upset the clubs. Clubs and country are already on a war-footing in be that team. England and France, where the The sixth member should be club leagues run concurrently with the championship. This is

The only beneficiaries of such a system are the spon-sors. When I was coaching Richmond in the mid-1980s, I asked if the club would work towards giving September, October and November over to league games, so players could play 12 league games in a row. "That wouldn't be possible,"

said a committee member "that wouldn't suit the sponsors because they wish to have their name attached to the league throughout the season." For too long the sponsor has had too much influence. Now that rugby has more potential sponsors than it needs, it should be possible for the four

European club competition and the final third to the five or six nations cup. If others cannot agree, England and France may make changes anyway. Today, England must survive in the National Stadium.

On international days this represents the Welsh nation. For 80 minutes it will resemble part church, part choir, part Eisteddfod; the spirit of the Principality which has produced some of the finest players in the world. The match will be close but I think this is England's year.

England have set the standards in the northern hemisphere for the past five years. The national side has changed in 10 position since 1990. The exceptions are Brian Moore, Will Carling, Rory Underwood, Rob Andrew and, when he is fit, Dean Richards. No other side has been able to change and win consistently. Wales thought they had laid

a similar bedrock last year when they won the Five Nations Cup. But in the sumhome union committees to change the season, dedicating the first third to leagues, the

should have won. Four weeks ago, they simply were not in the game against France. Today, it will be different. Wales are more or less at full strength. Their injured players are back: cantain leuan Evans, Hemi Taylor, Emyr Lewis and Nigel Davies.

Davies is badly needed to provide the vision among the midfield backs. The Welsh have found it hard to play a wider game because Neil Jenkins, at fly half, keeps the hall too long in his hands once he has decided that he cannot kick it. This allows the opposition backs and cover defence to move into position.

There is much speculation that the Welsh will pepper Mike Catt, the young England full-back, with up and unders or Garryowens.

The Welsh tried this against South Africa and lost. Of course, one kick may work; one lucky bounce or misfield may lead to a Welsh try. But the weakness of this method of attack is that by kicking the ball in the air, you are losing the possession that your for-wards have just won for you. Now that Paul Hull is fit he

should return at full-back for England. It is not that Catt has played badly but he is not a full back able to release his threequarters. Catt's versatility may yet be his undoing. I would have liked him to have had a game or two at fly half before the World Cup.

Cricket / Simon Hughes

Indian umpiring invests in class

erty and might as well go home," was the product of blind ignorance. India still Khan says that before one firstclass match in Pakistan an umpire reported to him for his assaults the western senses the smells, the noises and the "instructions".) These umpires were not biased but they were general chaos - but there is less discernible poverty, the rather useless. large hotels are magnificent Umpiring in India can still

and the umpiring has be an ordeal. Leading Indian improved immensely.

Twenty years ago the whitecoated officials at an Indian players are desperate to do well and have picked up some sharp practices during seasons cricket ground filled everyone with fear and foreboding. How playing English league cricket. They are voracious appealers long would it take the excitand are not afraid to rush up the wicket towards the beleaable fast bowler to pressurise an umpire into a leg-beforeguered official. One umpire was beaten up with stumps wicket decision? How many and bat in a local club match. times would an umpire give Even so, the quality of the batsman out merely for umpiring has improved. The playing a reckless shot? How receptive would the umpire be majority are ex-civil servants English county matches well as in India. He has

but the proportion of firstclass-players-turned-umpires has risen to 20 per cent.

Would-be umpires take written exams and practical tests which are so vigorous that the great left-arm spinner Bishen Bedi - one of 10 former Test players to apply - recently failed them. The results were even published in the newspa-

In first-class games umpires are marked by the captains and awarded points for perfor-mance and character. This still does not guarantee high stan-dards as they could show favouritism to influential players; a recent analysis of

captains were 17 per cent less likely to be given out lbw than any other player.

ments from prominent players and pundits and had earned the label of "the best unmire in

same fee as a player, about £160 for a four-day game, and is put up in good hotels rather than rat-infested flea pits. The most notable person to

be lured to officialdom is Venkataraghavan, the former Test off-spinner, whose move coinpanel Venkat has already stood in

Test matches in New Zealand, inals". West Indies and Australia, as to orders from the top? (Imran with no cricketing experience, showed that county cricket received consistent compli- India do umpires call no ball

Incentives have helped the world" until one or two ers must be in the playing attract umpires. In India a aberrations in the recent area. The ex-player umpires first-class umpire gets the Adelaide Test between are more relaxed and less both-England and Australia blemished his record. Sunil Gavaskar, the former

national captain and the symbol of Indian cricket, believes that to be a good Test umpire you must have the respect of the players. This does not neccided with the appointment of essarily mean rejecting every an international umpires appeal, however, or "being very strict on the field like policemen watching over crim-

the letter of the law. Only in

the boundary rope, invoking obscure laws which say playered about small transgres-

They still make mistakes, of course. But it is the same for both sides and even the bad umpires are not cheats.

Mike Brearley, the former England captain, remembers an occasion on tour when a ball deflected off his hip into the wicketkeeper's gloves and the umpire submitted to the demands of all 11 players and Most Indian umpires stick to about 30,000 spectators. Afterwards, he told Brearley: "Sir, very sorry. I knew you weren't

out but I felt my finger coming up and couldn't stop it."
The Indian umpire still has a reputation for a quivering index finger but he generally resists the temptation to raise it. He has, however, begun

wagging it at unsavoury behaviour. In the recent "test" between England A and India A at Chandigarh, umpire Parasarathy took such exception to the heckling and sledging by India's fielding close to the batsmen that he threatened to send players off.

This happened to Sanjay Manjrekar, the Indian Test batsman, in a recent Ranji Trophy match. He was banished to an imaginary sin-bin for showing dissent. Officials are begin-

ning to take action against the provocative chat and general hullabaloo that has crept into the professional game. On dusty pitches, spinners

do most of the bowling with fielders crouching round the bat, and balls balloon up off the batsman's pads. Even with slow-motion replays it is some-times impossible to tell if the bat has also made contact with the ball. Umpiring in India is therefore difficult even if players keep quiet,

Enthusiastic appealing is acceptable, blatant intimidation is not. Petulance has no effect on Indian umpires. The current England A side realised this and were rewarded for their patience.

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For a bowler trying to get lbw decisions from Indian umpires, there are three golden rules. First, be polite. Second, forbid the wicketkeeper and slips from running down the pitch at him, shrieking wildly. Third, bowl at the wicket.

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he two most successful biographies of all time are Boswell's Life of Samuel

Johnson, never out of print since it appeared in 1791, and Andrew Morton's Diana - Her True Story (1992), which has sold 2.5m copies worldwide. These books span a two century golden age of biography. and represent in extreme forms the twin poles of biography's appeal. On the one hand Boswell makes of

Johnson's life a moral epic; the drama of an individual's imaginative and ideological conflict, set against the cultural sensibilities of his time. On the other Morton distills in a contemporary yarn the tradition of gossip, aristocratic scandal and piquant anecdote which is as old as biography itself. In fictional terms the former resembles Milton, the latter Barbara

In between lie the thousands of books which meet, with varying degrees of psychological and intellectual probing, our insatiable desire to read about other people's lives. Cer-tain historical figures have the power of myth; the lives of Byron (over 200 biographies), Napoleon, Queen Victoria, D.H. Lawrence have all inspired endless re-telling, each re-fashioned as Greek dramatists re-work the

Studies of mankind

Jackie Wullschlager on the development of successful biography

self-image. Some periods of history are also especially rich in biography. In 1990 over 2,000 biographies were published. It is likely that historians will see the literary high point of the last 50 years, not in our novels, plays or poetry, but in our biographies. Painter's Proust, Ellmann's Joyce and Wilde, Holroyd's Strachey and Shaw; these already have the ring of classic works of art. What is the magic ingredient that makes them so

The star essay in this mixed collection is a shimmering piece by Richard Holmes about the double origins of biography and novels. Both are 18th century products, both are infused with the enlightenment ideal that the proper study of mankind is man. (The first great biography, Johnson's Life of Savage in 1744 is a direct contemporary of Richardson's Pamela, 1740, which marked the beginning of the English novel).

But while the novel emerged out of the drawing rooms and boudoirs which started to be built in middle

class homes at this time, biography developed in the coffee house and club, home of gossip and anecdote. It is biography's maverick nature, its mix of truth and tittle-tattle, that has proved so alive, so adaptable and so dangerous - an 18th century wit said it "added a new Terror to Death" and

THE ART OF LITERARY BIOGRAPHY edited by John Batchelor Oxford £17.99, 289 pages

writers from Joyce to Nabokov have

loathed it. Today, despite the demise in letter writing, sources of scandal are richer than ever. Mobile telephones, for instance: "When she is at their Gloucestershire retreat she routinely presses the last number re-dial num-ber of his portable telephone. Invariably she's connected to Middlewick House, the Parker-Bowles' Wiltshire home." Or the tape recordings of 300 psychotherapy sessions, building up

to suicide, used in the 1991 biography of the poet Anne Sexton Among less reputable reasons for enjoying biography are voyeurism, and the schodenfreude of seeing the famous cut down to size. An illumi-

nating piece by psychiatrist Anthony Storr roots the modern tendency to debunk - begun by Strachey in Eminent Victorians (1918) - in the radical theories of Darwin. Marx and Freud. each "confirmed with cutting human beings down to size: with demonstrating that man's higher spiritual impulses had primitive origins in biological drives or economic

A growing interest in psychoanalysis, an increasing openness about our personal lives, the current cult of the celebrity, all account for our love of biography. But they are not the whole story. What the contributors here fail to acknowledge is that biography is a conservative genre whose ent ascendancy is related to a middle-brow reaction against modernism. Until the 19th century, biography

and novel went hand in hand: novels were fictional biographies, called after their heroes - David Copper-field, Daniel Derondo. With modernism however came a novel which had much less of plot and character than a biography - The Wave, Finnegan's Wake. The modernist novel is more difficult than biography, and less confident. It does not believe in straight chronology, in the power of individual destiny, in larger than life

melodramatic heroes. Biography by contrast celebrates all these things, and so answers some of the needs we have in art: to emphasise, to make sense of our own life by understanding another, to engage in the extremes of pity and tragedy. In one sense biography is taking over from the novel as popular accessible literature. Ellmann's Oscar Wilde, for example, which has the sweep of a great tragic novel, is a best-seller.

Holmes calls biography the most lovable of modern literary forms: like a Jane Austen novel "it helps us the better to enjoy life or to endure it". Some of the academic contributions here make that enjoyment seem dry as dust, but the best of these writers highlight what fun biography can be, and so shed light on a fascinating

The woman of Gaza

readily admitted that Israel was responsible for a great and dangerous injustice the displacement of the Palestinians. But she declared herself incapable of breathing a word of public criticism of Israel. She thought that a large number of her fellow-refugees from Nazi tyranny felt exactly the same way and she could

not offer a solution. Yet Israel and her neighbours are at last breaking out of the Holocaust's iron grip. The passage of time and the rise of new generations have begun to heal even the deepest of wounds. The veteran leaders on both sides feel under pressure to accommodate the expectations of their new constituents. Even the most intransigent leaders see a need to mellow.

In her biography of Hanan Ashrawi, the American jour-nalist Barbara Victor reflects on some further reasons for rapprochement. She thinks that events since 1982 have weakened the American sympathy essential to Israeli intransigence; 1962 was a turning point because Israel seemed to have overreached its defensive needs in invading

the Lebanon. To be sure, the Palestine Liberation Organization (PLO) continued until quite recently to offend western opinion through its terrorist activities, and the start of the Intifada in 1987 ostensibly did nothing to help. But whereas in earlier decades media manipulation might have represented the Intifada as mere gangsterism, it came to be regarded as a heroic uprising against Israeli occupation of the West Bank and Gaza.

Other factors, too, conspired to convince Israel's leaders that some degree of Palestinian autonomy was inevitable. One was the sheer durability of PLO leader Yassir Arafat. that poured into PLO coffers following the 1982 invasion. This made the Palestinian nationalists "the richest groups of underprivileged people in the world", perhaps sof-tening the PLO leadership and making it more acceptable to business-driven America. Yet this was still not enough to change the heart of a nation that had a major Jewish lobby and was hooked on the propaganda line from Tel Aviv According to Victor, Hanan Ashrawi was Israel's true Nemesis. Brought up in the occupied territories of the West Bank, Ashrawi was a Christian, an academic and a westernised woman, on the surface an unlikely person to assume the role of the PLO's chief negotiator. But unlike the exiled PLO leadership she knew her grass roots and, crucially, could understand not only American concepts of republic and democracy and gentlemanly honour, having taken her doctorate at the University of Virguna, but also the critical breezes of 1970s US

of the Palestman cause Ashrawi negotiated for the HANAN ASHRAWI: A

PASSION FOR PEACE

by Barbara Victor

Fourth Estate til 9- 32 have

feminism, some of whose ideas

she drafted into the Palestinian

cause. No wonder she became

a media personality in the US

and such a powerful advocate

PLO right up until the Wash ington agreement of September 1993, which gave the Palestinrans the Gaza strip and Jericho. But by this time, she was ready to resign. According to Victor, she was genuirally critical of Arafat's compromises. Yet it is clear from her own book that Arafat was a tough negotiator, and equally evident that Ashrawi had a stronger preference than he for peaceful solutions. As Victor notes, she is a leader of Palestine in the making and probably wants to wait in the wings until the Washington accord's weaknesses become apparent and the need for a new leadership

could be asserted. Judging from Victor's book she will not lack friends when that moment arrives. Ashrawi already receives money from "influential American benefactors," which could mean anyand foundations to the US government taking out an option on the next Palestinian government. Whether that background will do her any good in Palestine remains to be seen, but it may embarrass the Igraelic into making some

more realistic concessions.

Jeffreys-Jones

True stories to freeze the heart

writer who has turned the taped interview into high art: he sets the scene with a brief naragraph or two and thereafter subjects choose to say. There must, of course, be much craft

never visible. His new book, The Violence Of Our Lives, is a direct sequel to his much-praised Life After Life, which was a collection of interviews with a dozen murderers in British jails. He now moves to the US, the country which has the gross distinction of the world's highest per capita jail population, and where savagely punitive sentencing is the norm. Parker talks with 18 men and women who are either serving, or have recently been released from, life sentences, and adds as a postscript a batch of "victims family of either the guilty or their subjects. All but two of Parker's interviewees committed murder, and none of them

denies it. Parker understands that these 18 are in no sense a sample and that no generalised conclusions can be extracted. His intention, we are forced to conclude, is simply to show us 18 people, Americans of very different quality and background, who have in common only the fact that they have been consigned to prison for much of their lives. They serve, or will be required to serve, 19 years, 26 years, "natural life" (i.e. for ever), 48 years,

even 198 years. Some of the murders were accidental: some were what we would call crimes passionels: some were fuelled by drugs: some were in response to unbearable abuse; one was a Vietnam bero who had been trained only to kill ("I'm not saying I'm not to blame . . . But it was them in the first place, they were the ones who put it

into me, the violence of our lives"), Some of them have accepted that they will never come out: one of them is planning to escape from his eight life sen-

tences plus 300 years. Some

ony Parker is the turn to religion, or to serious education, or to poetry, or to lesbian love. Most of them are lucid and reflective ("Prison is the only place in the world you can go where there's nothing else for you to do but think ... ": he

adds, "When I went in I was stupid and irresponsible, and behind this, but the skills are when I came out half my lifetime later, at last I was a mature and thoughtful man". A number of them plan to make good for what they did. and some of them are already doing so, like the man who was actually seated in the electric chair when his commutation came through; he has so far served 48 years of a terrifyingly empty life, and has been THE VIOLENCE OF

OUR LIVES by Tony Parker Harper Collans £18, 238 pages

allowed out of fail 166 times to give talks to schoolchildren. Many of them had perfectly good childhoods, or so they volunteer, undeprived. แกมbused, in what may have been adequately loving families. More than half are black or Hispanic, which is representative of America's 1.25m prison population. But they cannot be lumped together: there is a professional criminal who cannot quite remember how many people he has killed, a lawyer who ran down a traffic cop who had not even given him a ticket, and a university teacher

These chapters, so quiet, so flat, so unadorned, are as moving in their charity and wisdom as a fine collection of short stories. Then you remember they are true, and your

who shot his student bride.

J.D.F. Jones

NEW AUTHORS PUBLISH YOUR WORK ALL SUBJECTS CONSIDERED Fiction, non fiction, Biography LITHORS WORLD-WIDE INVITED WRITE OR SEND YOUR MANUSCRIPT TO MINERVA PRESS

Through America, guided by literature

Jurek Martin dips in and out of US history in good company

most others, do not have to be read from beginning to end but may be sampled according to the reader's interests and idiosyncrafirst delved into Gavin Young's modern journey into America's past not in Central Park. New York, where it started, or in the Yukon, where it finishes, but at the chapters devoted to Custer's last stand in June, 1876, at the Battle of the Little Bighorn in what is now Mon-

It so happens this is one of the least persuasive and enlightening parts of a travelogue with many fine, if frequently depressing, passages.

FROM SEA TO SHINING SEA: A PRESENT DAY JOURNEY INTO AMERICA'S PAST by Gavin Young Hutchinson £20, 298 pages

Perhaps this is because the last great Indian military victory, but the beginning of the end of their way of life, has been written about so well and extensively elsewhere - in factual accounts and even in fiction, such as George MacDonald Fraser's entertaining and his-torically accurate Flashman and the Redskins - that Young does not have much to add to the sum of human understand-

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ing.
"I felt sad leaving the Custer battlefield," he writes. The Frontier, home of Crazy Horse and the source of glamour for city-bred Americans, "had moved somewhere else - but where to: to the moon? Today's reality at the Little Bighorn was tourists, fry bread, and an X-tra large iced tea for \$1.50." Only in the wilderness of the west and north - and, to a lesser extent, in the surrounds of the Alamo and what were once the whaling seaports of New England - does Young find much of the old America, physical and spiritual, alive today. But his yardsticks are not merely rooted in his own knowledge and experience of

the country but the milieus

ravel books, unlike created by the American writers who are his conscious guides throughout.

Thus he starts his journey not really in Central Park, but in Sag Harbor, Long Island. which is where John Steinbeck and where Herman Melville did his homework for Moby Dick He follows Steinheck's Depression era Okies down Route 66 into Arizona on their way to California and goes on minutely to examine modern Salmas and Monterrey, where Steinbeck wrote Cannery Row and Gropes of Wrath and so incurred the discontent of local citizens that he eventually left to live elsewhere.

His guide to Los Angeles is Raymond Chandler's Philip Marlowe whose office in the city would now be in the ghetto where not even the toughest private eye could operate, especially since Young was there in the aftermath of the riots that followed the first acquittals of the policemen who battered Rodney King. His wilderness mentor is naturally Jack London, with some assistance from Robert Service.

In these sections, the author's powers of gentle observation serve him in good stead, though they often appear subordinated to the words and thoughts of his literary guides. But Young inserts himself more into his chapters on the Battle of the Alamo and Sherman's devastating march through Georgia to the sea, in both of which his literary debts are more scattered and his contemporary research more original and entertaining.

The Alamo chapters are par-ticularly fine. It may be that the doorway under which William Barret Travis wrote his proclamation of defiance in 1836 to Santa Anna, the Mexican general, is now the entrance to Wendy's Old Fashioned Hamburger emporium, but otherwise Young senses the Alamo is indeed remembered Davy Crockett and Jim Bowie, two western legends, may have died there, along with 181 other defenders of the mission-cum-fortress, but hardly in vain. No "losing" battle in history may have had



for his victory at the Alamo induced Santa Anna into fatal mistakes against Sam Houston's raging Texas army that ultimately led not only to the addition of Texas to the United states of America but California, Arizona, New Mexico

as well. Young's best guide to the Alamo is one Maury Maverick, local San Antonio newspaper man, raconteur, and great grandson of "the only Yale graduate in the Texan Revolution" whose practice of not branding his cattle has now entered the English language

and a few other western states

as a synonym for independentmindedness.

Similarly, the devastation of Georgia after the vital Union victory at Chickamauga is recorded through eclectic eyes, dead, alive and the figments of the imagination (including Scarlett O'Hara). Most baffling to the author is how General William Tecumseh Sherman, lover of Shakespeare, Dickens and the theatre, could have laid waste with such savagery; and how he influenced others, like his subordinate, General "Little Phil" Sheridan, whose later orders to Custer were to

ing covered the civil rights marches of the 1960s for The Observer, and often cannot understand why its history so often appears to exist so lightly in the present. It is not merely the sad shopping strips that now obscure the sites of so many Civil War battles. He laments the fact that the young blacks of Atlanta seem so much more attracted to Malcolm X than to Martin Luther King "who achieved a thousand times more for blacks than Malcolm." From Andy Young, who marched with Dr King and subsequently enjoyed a career on the world stage, he

Young knows the south, hav-

insecurity. Quoting John Rothrock of Stanford's Global Security Planning Center, he points to the likely aggres sion and radicalisation of over a bil-

into the next century.

He might well follow this theme through. If technological proliferation is bringing weapons of mass destruction within the reach of many radical states, attempts to suppress the end results have an almost Canute-like faith in the technology of control. Super-scud missiles might be shot down, and threatening regimes might be targeted, but intercepting briefcase-sized nerve agent bombs or small nuclear devices is far less assured.

hion disempowered youths as we go

merely extracts the resigned

but unworried hope that time

If the book leaves mostly a sense of sadness it has its

shafts of hope. The author

finds keepers of the faith

everywhere willing to share a

drink, a story and a joke; like

the Irish barman in Sag Harbor

who says; "well, you know

what they say. American beer

is like making love in a canoe.

It's not bad. But it's too darn

close to water." That is not a

bad summary of Young's own

selective travels around a

country which can idolise its

past without necessarily keep-

ing it alive or learning from it.

will redress attitudes.

Perhaps it is time to rethink our notions of security. A polarised world with a disempowered majority having access to advanced military systems is a hugely dangerous place, Real security may come through respond ing to the core North/South inequalities rather than trying to keep a mili-

red Kaplan's The Wizurds of Armogeddon was a study of the scientists and strategists who erected the Cold War edifice of nuclear deterrence. Published more than a decade ago, it showed how generations of planners participated in an arms race involving massive nuclear forces, yet believed that they could maintain strategic stability

and avoid Armageddon.
With the Cold War five years in the past, most of those ideas are now obsolete, so David Shukman offers us The Sorcerer's Challenge, arguing that the new world disorder is, if anything. more dangerous and uncertain. Scientists are now at work on new generations of weapons - sorcerers facing a challenge which is far more complex and unstable than anything the Cold War could give. They have to respond to a world in which developments in technology are bringing nuclear and other weapons within the reach of middle-ranking and often radical

Ballistic and cruise missiles are available to a dozen countries, biologi-

New generation of Star Wars

cal weapons are now feasible and the rundown of the Russian nuclear industry is leaving redundant technologists hungry for work. Moreover, commercially available computers, guidance systems and even satellite technology make it much easier for emerging countries of the South to leapfrog into advanced weapons systems. In the US and Europe, weapons scientists are operating in a climate of budget cuts, yet strive continuslly to convince their political paymasters that their technology advantage must be maintained.

The idea of a massive Star Wars defensive shield may be dead, but a "Son of Star Wars", to provide defences against third world missiles, is a ready budget winner, not least because of Israel's Scud experiences of the Guif War. This shield, though, is accompanied by many swords, from precision-guided cruise missiles to stealth bombers, backed up by advanced satellite and airborne surveillance, smart bombs and every kind of special operations force. As the axis of confrontation shifts subtly from East-West to South-North. the core issues of global insecurity are seen to stem from the deep divisions of wealth and poverty, with

THE SORCERER'S CHALLENGE: FEARS AND HOPES FOR THE WEAPONS OF THE NEXT MILLENNIUM by David Shukman Hodder & Stoughton £20, 256 pages

increasingly radical nations in the south seeking to challenge northern control of the global economy. In a readable and wide-ranging book, Shukman concentrates on the sorcerers' response to the rapid spread of military technology with every kind of counter-measure, dependent wherto avoid risk to their own military. Ironically, a fundamental problem is the spreading of military technologies into the civil arena. Huge spending on the arms race stimulated all manner of technological developments, with many spin-offs finding their ways into civil manufacture Now, the tables are turned, as commercial high-tech industries are all too keen to make available new technologies adaptable to military requirements for anyone with the money to spare.

ever possible on automated systems

The response, inevitably, is from within the military arena; after all, at a time of declining defence budgets, new threats from "the South" are just too good to miss. For the most part, Shukman concentrates on these new technologies of control, but here and there he gets beyond the immediate military dimension to approach the fundamental issue of the causes of

tary hid on a pot of global resentment.

Paul Rogers

Money as the root of power, freedom and evil

Time and wealth may be the heaviest burdens of life, but spend both here, writes Martin Wolf

opinion of but a blockhead ever wrote, except for money". must also apply to people who create anthologies. If Kevin Jackson's Book of Money is to make some of it, buyers must

As a dedicated non-purchaser of anthologies. my starting question was why anyone should wish to purchase 465 pages of variegated thoughts on money. Now I believe I can answer that. I see the ideal purchaser as an exhausted foreign-exchange dealer, collapsed in bed after a long day at the screen, flicking through these pages for

imaginative nourishment on his or her favourite subject. What will such readers find worthy of their attention? A great deal is the answer, even if they will end up not a jot the wiser about the monetary

THE OXFORD BOOK OF MONEY edited by Kevin Jackson Oxford University Press £17.99, 465 pages

system nor a whit better at outwitting their competitor They will be reminded that money is a medium of exchange, a measure of value a standard of deferred payment and a store of value" (Sir Norman Angell), and be told that "money is power, freedom, a cushion, the root of all evil, the sum of blessings" (Carl Sandburg).

Here they will find Dr Johnson moralising that money and time are the heaviest burdens of life" while there they will read Karl Marx wailing that "since money, as the existing and active concept of value, confounds and exchanges everything, it is the universal confusion and transposition of all things, the inverted world, the confusion and transposition of all natural and human qualities". This is Marx's leaden way of telling us that he does not approve of the stuff.

There is, it appears, a Germanic style in such Marx's master, Hegel, explaining that "money is not one particular type of wealth among others, but the universal form of all types so far as they are expressed in an external embodiment and so can be taken as 'things'." If sleep, nothing will.

When there, they can dream of Oscar Wilde's delightfully practical Lady Bracknell enquiring: "as a matter of form. Mr Worthing. I had better ask you if Miss Cardew

"Oh! about a bundred and thirty thousand pounds in the Funds. That is all. Good-bye, Lady Bracknell. So pleased to have seen you." Lady Bracknell (sitting down again): "A moment, Mr Worthing. A hundred and thirty thousand pounds! And in the Funds! Miss Cardew eems to me a most attractive young lady, now that I look at her. Few girls of the present day have any really solid qualities, any of the qualities that last, and improve with time. We live, I regret to say, in any age of surfaces." Or, as nson might have said, no man but a blockhead ever married, except for money.

Money is also political. One of the founding fathers of the US, Alexander Hamilton (1781), utters the intriguing thought that "a national debt if it is not excessive will be to us a national blessing; it will be powerful cement of our union. It will also create a necessity for keeping up taxation to a degree which without being oppressive, will be a spur to industry; remote as we are from Europe and shall be from danger, it were otherwise to be feared our popular maxims would incline us to too great parsimony and indulgence." What, though, would Hamilton have though

King Lear explains why Hamilton's national debt can readily become the national fraud by pointing out that "no. they cannot touch me for coining; I am the king himself." The counterfeiting of money is, after all, the most fundamental of state

of a national debt of \$4,670bn?

Here is Adam Smith, ever lucid, explaining that "the real price of everything, what every thing really costs to the man who wants to acquire it, is the toil and trouble of acquiring it." Not far away on the pages, though at the opposite intellectual pole, is the socialist Robert Owen, insisting that "money, which has been hitherto been the root, if not of all evil, of great injustice, oppression, and misery to the human race . . . will be no longer required to carry on the business of life: for as wealth of all kinds will be so delightfully created in ever be required, no money price will be known."

Alas, poor Mr Owen, money will always be with us, even if. as J.M. Keynes declares, the love of money as a possession is to be recognised as "a somewhat disgusting morbidity, one of those semi-pathological propensities which one hands over with a shudder to the specialists in

mental disease I enjoyed this book. Mr Jackson is no blockhead and deserves the reward



Death and the Miser: Hieronymus Bosch's 15th century vision of the wages of materialism, from "The

Britain's heritage impeccable pedigree as a radical historian. He was one of the deconstructed arguably the most influential movement among young, and

the left - and, indeed everywhere. Yet this book, if not quite a threnody for "herirescued from the condescension of professional historians and the disdain of acolytes of of a trend more often dismissed high, or official, culture. Furas vulgar and commercial, or even as treacherously false that they can be linked, retroconsciousness, by his fellow spectively through their com-Reviewing what Samuel himmon genealogies and prospecself calls an "open text" to be tively through the playfulness of post-modern thought, in which liction, myth and fandifferently interpreted by different readers, a rich but eclectic collection of essayistic positivistic "truths". chapters skilfully and sugges-

tively woven together, is not All three, popular history, easy. The attempt to discern "heritage" and post-modernthe threads which run through ism, are powerful presences in it, to identify Samuel's arguthe 1990s. But few others have attempted to link them, as ment, runs the risk of the very reductionism that is one of his Samuel does, in such an ingeprincipal targets. nious and sustained narrative. He builds a persuasive case for But, in summary, he argues arguing that the rise of womthat the popular, even demotic, history beloved of the left and en's, or gay, history and the the "heritage" movement, building of "heritage" themeparks, like the Jorvik Museum rather than being seen as in York or Beamish in Durdirely opposed, are in fact closely linked. Both need to be ham, form a spectrum of drama on television began

attempts to re-interpret the past. The growth of preserva-tion societies, the enthusiasm for retro-chic (yester-decade's fashions), the passion for collecting old photographs or his-

THEATRES OF MEMORY VOL 1: PAST AND PRESENT IN CULTURE by Raphael Samuel

Verso £18.95, 470 pages

torical re-enactment are strung out along that spectrum. Just as radical perspectives transformed the study of history in the 1960s and 1970s. so the "heritage" movement boomed during the 1980s and

into the 1990s. It has a digni-

fied component. The tradition

of sophisticated costume-

continues, the latest example being Middlemarch. A generation ago the National Trust was an amenity pressure group; today it is the largest mass movement in Britain with more members than any political party or trade union. "Heritage" also has a less dignified aspect - tacky museums, "Georgian" litter-bins and the rest. But Samuel repudiates interpretations of "heritage" as another sickly symptom of national decline.

with Brideshead Revisited and

In particular he argues against two contentions. The first is that the passion for "heritage" is peculiarly British, decadent nostalgia for a grander and irrecoverable past. He points to the work of the

Instead he links it with a

vibrant tradition of popular

New York, the Museum of Rural Life in Emilia, the rediscovered "dreamways" of Australia's Aboriginals. The second is that "heritage"

is a movement of the right rather than the left. On the contrary, "the Body Shop emerged from the Brighton counter-culture; the Campaign for Real Ale from beer-swilling radicals" (although Samuel does not pursue the later controversies about the Body Shop or the theming of pubs by the big breweries).
In this book, despite taking

issue with "heritage" baiters, he remains true to a bottom-up view, a popular re-engineering of history and its myths. He does not consider the top-down view, which those baiters find so persuasive, that in an advanced economy trade in symbolic goods (the best example, money, has been traded for centuries) takes over from trade in material goods. Events experiences, ephemera are the new raw material of wealth creation, their volatility and velocity feeding the habits of a hyper-consumption soci-

The law weighed in the balance

Christian Tyler on two very different interpretations

oth these books are explorations of the basis of law. But they are difficult for very different

The philosophical path along which Professor Barry, of the London School of Economics, conducts us is sometimes stony and slow. The reader may lose his way or have to pause for breath. He will be rewarded. At every turn of the trail he will come upon a broad and uplifting view.

Professor Vining, of the

University of Michigan, follows no trail at all. His book is an outsize collection of pensées written in the pseudo-archaic. high-falutin' style – not so much scenery as swamp. If there are any profound or novel ideas hiding in there, they have been strangled by Vining's luxuriant verbiage.

Barry's purpose, unfashionable in this age of relativism, is to describe and defend a concept of justice which is based on impartiality and has universal worth, as acceptable in Cincinnati as in Singapore.

It is an old and honourable venture. Plato in the Republic pursued an idea of justice based on "the good". Barry seeks one based on fairness. Developing the ideas of the American philosopher John Rawls, he discovers in impartiality the only mechanism by which rival conceptions of what is good can be reconciled without sacrifice or coercion, "a mutually acceptable basis for restraint in the pursuit of one's conception of

The thesis - this book is the second of a three-volume treatise - may seem unexceptionable to non-specialists, even though Barry demonstrates that his use of the word "impartial" is not an everyday - that treating people equally is not the same as treating them identically, for

virtue of his book. Its virtue for the non-academic reader consists in the analysis itself. At every stage, Barry illumi-nates his argument with powerful examples drawn from real life. Thus, in the course of rebutting a theory of justice based on mutual advantage. Barry cites the Hindu-Moslem conflict in India, the fate of the Red Indians in North America and the bloodshed in former Yugoslavia. If justice is a function of the mutual advantage

will protect cripples and other powerless minorities? He elaborates the meaning of "fairness" by examining the

of the strong, he writes, who

IMPARTIALITY by Brian Barry Clarendon Press £25, 315 pages

FROM NEWTON'S by Joseph Vining Princeton University Press £19.95, 400 pages

membership rules of different kinds of club; and he shows why an ethical theory fails if it requires you not only to save a child from drowning but to buy it an ice-cream afterwards. He discusses the limits of partisanship that parents may show towards their own offspring.

There is some good knockabout stuff when Barry comes to deal with rival theorists. He devotes much space to Lawrence Kohlberg, a moral philos-opher whose "Captain's Dilemma" he claims is absurdly rigged. (The captain of a retreating patrol in the Korean War has to decide whether to send his explosives expert to blow up a bridge and face certain death, or make his men draw lots instead).

critics, in particular the quaintly-named Nel Noddings who defines moral obligations

in terms of personal relations. or "caring." Here, writes Barry, bogus moral dilemmas are easily created: should Ollie North's secretary have shred-ded the incriminating documents, or should she have

obeyed the law? To regard loyalty to one's boss as a genuine moral counterweight (as this author does) is simply to display a frightening lack of moral common sense, says Barry severely. An unavoidable feature of a caring Noddings regime, he adds, would be that women would have to be excluded from all public sponsibilities.

The professor, it is clear, is no respecter of fashions or persons, feminist or otherwise. But however difficult his argument may become, he is at pains to keep his words always simple, clear and robust. (The phrase "sentimental tosh"

occurs at one point.) The same cannot be said of the self-indulgent Vining, whose thoughts are as convoluted as they are politically correct. His prose reads like Wittgenstein run through the

Here is the beginning of a short specimen called "The Relative Reality of Creation by

"A person who believes she is determined, and who does not indulge in the illusion that she is not, would not go on. She would not go on. Which then is the illusion and which the reality?

Another, called "Poetry" "What makes words poetic? We must think we know. The

terms 'poetry', 'prose', are with us and there is a reach to categorise with them, a tendency to do so of the sort we tend to think and call

There is worse, much worse in this handsomely-produced book. How does such stuff get

Subversion meets a chorus of approval

Anthony Curtis admires a new life of John Gay

ocal boy - from Barnstaple, north Devon -→ Gay, is popularly known as a one-work writer, the author of The Beggar's Opera. It has been steadily in the repertory in modern times since the watershed production by Nigel Playfair at the Lyric

Hammersmith in 1920. The renown of Playfair's production spread across the inspired Brecht's secretary. Elizabeth Hauptmann, to translate the piece into German; her version was the basis of the Brecht-Weill production in 1927. It was Lion Feuchtwanger who suggested they should call the up-dated text The Threepenny Opera. Then in 1984 Gay's work re-appeared in Scarborough and London in yet another theatrical guise when Alan Ayckbourn made a A Chorus of Disapproval out of an imaginary production of The Beggar's Opera by a group of Welsh amateurs.

David Nokes of King's College, London, in this substantial new biography of Gay, reveals that disapproval on grounds of Italian opera, then being introduced into England by Handel and others, was the historical background to Gay's masterpiece. Richard Boyle, the 3rd Earl of Burlington, was opera's early English patron. Burlington's house in Piccadilly became a source for the Italian style in both music and

painting. Unlike Hogarth, Gay was not among the disapprovers. On the contrary, he loved to attend Burlington's "lobsternights" and he collaborated with Handel on at least one opera. He loved, too, the classical and Italianate legends that Handel ransacked for his plots. But as Nokes reveals, Gay led a curious psychological double-life. He belonged to society and craved for social advancement, latching on to people like Burlington, Henrietta Howard, the royal mistress, and the Duke and Duchess of Queensberry; he made strenuous if largely vain efforts to acquire a footbold at court, but at the same time his imaginative outlook was subversive. He saw through people while he flattered and toadied

When Swift suggested he should turn to London's under-Peter Scott | world for inspiration, Gay saw



John Gav. classical heroes

parallels between a classical god disposing of suppliant mor-tals in a Handel scenario and Jonathan Wild, the notorious thief-taker running the capi-tal's protection racket. Greek mythological heroes became contemporary London villains, Peachum, Lockit and Macheath. Gay transposed the

> JOHN GAY: A PROFESSION OF FRIENDSHIP by David Nokes Oxford £25, 563 pages

rival Italian prima donnas, Francesca Cuzzoni and Faus-tina Borodini, whose mutual loathing had been given the widest publicity, into Macheath's two charmers Lucy

and Polly. Nokes rejects the suggestion that any character was meant to be a straight portrait of Walpole the prime minister and dismisses as fantasy the celebrated account of how, when Walpole attended a performance, he joined in one of the choruses to loud huzzas from the audience.

The Beggar's Opera, performed in 1728 when he was 43, was the first work of Gay's to make any serious money. The impresario was John Rich and it was truly said that the work made Rich gay and Gay rich. Earlier he had lost most of his savings when the South Sea Bubble burst, but Nokes suggests he was not quite as naive in financial matters as his friends believed.

He had been apprenticed to a draper as a boy, but had

reneged and then made his way, through his literary gift and willingness to put it it at the service of others, to a respected position in London. He was a member of the Scriblerus Club and remained on the friendliest of terms with the other members, notably Pope and Swift, for the rest of his life. He died when he was

His long poem celebrating the completion of Pope's translation of Homer has found its way into anthologies and shows Gay's talent at its most accomplished and urbane. Nokes is concerned to restore to Gay the sole authorship of several works that have been up to now regarded as the result of collaboration.

The biography moves carefully against the complicated political background, with characters like Bolingbroke in and out of favour. The degree of separation that exists now between literature and politics. with Michael Foot uniquely straddling the two cultures, did not exist at this period. If, like Gay, you were into literature, you were by definition also heavily into politics. Nokes relates Gay's works to the more famous ones by his con-temporaries - Gulliver's Trav-els, The Dunciad - showing underlying attitudes in com-

mon. own. He was always someone's permanent house-guest, and he never had any sexual relations either. Yet Nokes makes a strong case for him as a responsible mature human being. Inevitably Nokes asks whether Gay was secretly gay. and indicates that he probably was. But above all he draws attention to the many works of Gay both in the prose and verse that have been unjustly eclipsed. There is a penetrating series of moral fables and several more plays that might well be revived, including a sequel to The Beggar's Opera entitled Polly set in the West Indes with Macheath in blackface. Another, about the youth of Achilles when he was disguised by his mother as a girl. Sounds a distinctly modern transexual chord.

It would be good to have an edition of some of these works at a price within the pocket of the general reader. Nokes has, in this authoritative biography, created a fresh taste for

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Drama at the Coliseum ennis Marks, general director of English National Opera, is miffed. "The next hundred years of opera, music, dance and ballet in this country can't be decided in 21 pages." he declared, "and it needs more than four

An Arts Council review is threatening the future of the ENO, Antony Thorncroft reports

350,000 people, ENO's annual audience." Righteen months ago Marks took charge of English National Opera at the Coliseum. He inherited a leaky boat. After years of generally great reviews and happy audiences for spunky performances in English, the recession and, perhaps, changes in taste, found him confronting a nasty deficit and some moribund produc-

hours to look after the needs of over

In recent months he reckons he has turned the vessel. After falling below 60 per cent ENO audiences are reaching towards 80 per cent. It was just the fillip needed to persuade the ENO's friends, private and corporate, to stump up around £15m towards the £40m required to give the Collecum its much needed refurbish-

ment for the next millennium. Then, in a slim report and after only a few hours of talks with ENO managemen an Arts Council review into the future of the lyric theatre in London holed the ENO. It said it was a nonsense that the company should plan to close for renovation at the same time as the Royal Opera House, Covent Garden, and made it clear that Covent Garden's plans took priority.

It also suggested that the Coliseum present less opera and become the London outlet for large scale dance companies, the report's preferred alternative to the chimera of one national dance house.

It was the sub-heading "A reduced role for the ENO" which caused Marks most angst. It claimed that, despite all the brouhaha about an opera boom, the core audience for opera in London, at around 600,000, was static and was insufficient to keep two large scale opera houses in permanent business. It speculated bleakly about the future of the ENO's orchestra.

So far the Lyric Theatre Review is a consultative document and the Arts Council will not make final decisions until April. But Marks must move quickly to prevent the Coliseum being seen as the poor relation of Covent Garden.

To some extent the review follows Marks' own thinking - he planned to reduce slightly the output of opera and to rent out the Coliseum to dance companies for at least 11 weeks a year. He is not against the idea of the ENO mounting adventurous productions in smaller venues or touring; or the orchestra being more flexible in its work practices - if the

Here there is room for compromise. The main confrontation is over the closure plans of the two opera houses. The millennium, instead of being an exciting stimulant to the arts, is proving a millstone. Not every arts company can have a spanking new venue to greet January 2000, or, for purists, 2001. But the ticking of the clock, and more

So far the review is only a consultative document, but Marks must move quickly to prevent the Coliseum

being seen as the poor relation of Covent Garden

seriously, the need to acquire the essential National Lottery cash before that milch cow is dried up by some future government, has created an unseemly rush. The Arts Council announces its first lottery grants in April Covent Garden and Sadler's Wells, two key players in the future of lyric theatre, have already put in applications, for \$50m and \$27m, respectively. Dennis Marks has not helped his case by delaying the ENO bid for around £25m.

In the meantime he must come up with a credible scenario to deal with the closure question. "How do we stop both houses being closed at the same time is the wrong argument. What the Arts Council should ask is what is the best logical sequence for developing four houses - ENO, the Royal Opera, Sadler's Wells and the Lyceum.' Marks is adamant that closing the houses does not mean no performances - both companies can perform elsewhere. He believes that with careful planning and goodwill London need only lose both major companies for just two to three months between 1997 and 1999.

In his view there are plenty of options, and frantic negotiations are in progress. It seems likely that Sadler's Wells will be developed first, and quickly, so that it is available to either Covent Garden or the ENO by 1997. Apollo, owners of the Lyceum, would be happy to welcome either company - if the Arts Council, as seems possible through the lottery, can provide some money towards a renovation

The Theatre Royal, Drury Lane, is less likely to play a role, with Miss Scrigon scheduled to run there until at least 2001. but there is interest in a semi-permanent structure, perhaps in Battersea Park, which could be used by both companies.

Basically anything is possible - if the money is available. And here's the rub. The Arts Council loved the report on the lyric theatre, which was prepared by con-sultant Dennis Stevenson. He took some hard decisions on its behalf. The council is in no mood to compromise on the key issue of simultaneous closure. The message coming over strongly is that Dennis Marks has won plaudits for his work in improving the finances of the ENO but, with the company still running a large deficit, he should not push his luck. If he toes the line, postpones re-development to 2000, or later, then the Arts Council will probably do its best to ensure funds are eventually available.

For the council has looked at the figures and recoiled in horror. All the grand plans are only possible with lottery cash, and adding in extra expenses if the ENO and Covent Garden performed temporarily in smaller venues, the bills would approach

£150m. The outcry from arts companies outside London if opera in the capital was so favoured would be resounding.

There is another problem. The most disturbing statistics in the review relate to the audience for opera and dance. The dance audience is well down on two decades ago and opera has also had its vicissitudes, rising and falling with the economy but, after every decline, recovering to a lower peak. The costly development of (slightly) larger opera houses hardly seems to be meeting a popular demand. It could be seen more as satisfy-

ing the ambitions of a cultural elite. This is the difficult context in which Marks must battle. On top of his short term financial problems, the report has added a worried workforce and confused friends, both private and corporate, who have already pledged £4m towards the re development. In the past megaphone diplo-macy with the Arts Council, as pioneered by Peter Hall in his National Theatre days, was not productive. With a new and tougher, team of Lord Gowrie and Mary Allen running the Council. such an

approach may be even more dangerous.

Dennis Marks has been unlucky. He inherited a mess; has made strenuous, and largely successful, efforts to clear it up; and has been rewarded by seeing his ambitious plans for the future placed in jeop-ardy. His best solution might be to play the long game, build up the approval of the Arts Council, and hope that it repays his patience by giving him a smart new Collie in five years time.

Television/Christopher Dunkley

Behind the

Iron Curtain

ance and behaviour of

Leonid Brezhnev in

the final years of his

life were caused not by corti-

sone injections but by an

addiction to sedatives. During

the Korean war Kim Il Suna

did not merely receive aid and

advice from the Russians, his every move was controlled by

them. So secret was the deploy-

ment of SS20 missiles that

even those in the highest ranks

of the Soviet establishment

were kept in the dark; they

only found out if they were in

close contact with Americans.

Reagan's "Star Wars" defence

system was taken so seriously

by the Russians that they

Cell Mates

Simon Gray's new play about the spy George Blake and his former co-prisoner

imon Gray's new play, Cell
Mates, seems to be the latest of the many reflections in recent years about spies and about that dreadful but haunting dictum of E.M. Forster's: "I would rather betray my country than betray my friends". Who can betray the former without betraying the

"Spies betray people . . . " says George Blake in Cell Mates to his friend Sean Bourke. "It's what we do. Even when it isn't strictly necessary.' The play suggests that the true spy betrays his friends without really betraying his country at all - for his country is the one on whose behalf he

In prison in 1964 (act 1, scene 1), the spy George Blake befriends the Irishman Sean Bourke: so successfully that Bourke helps him, in 1966 (scene 2), to escape. Out in the big world, when the British cops and secret service are after Blake's collaborator, Blake and the KGB help Bourke to escape detection - by bringing him to stay with Blake in Russia (scene 3); and - here's the rub - by keeping him there (Act 2). In ways small and large, the nature and duration of his stay in Russia and about the KGB's attitude

recording his thoughts into a tape recorder. Bourke's are artless - suspicious at times, sure, but spontaneous, intense, heartfelt. Blake's, however, are guarded and calculating. Bourke escapes for six weeks; but, when he returns, his tape-recorder is full of his tion with, Blake. Blake does spend some time wondering about his treachery to Bourke. But people are expendable when you have ideals and a country to serve. "How can I have any remorse," he asks the tape-recorder in his final soliloguy, "when I

have directed my life to mankind?" Very interesting, as I think about it afterwards . . . but stupid, as it feels while you watch. Cell Mates all too often echoes Alan Bennett's An Englishman Abroad, Bourke the visiting Westerner becomes, in an audience's eyes, the male equivalent of Bennett's Coral Browne; Blake an alternative to Guy Burgess; and the recycled Irish songs Bourke sings to the Russians are incongruous in Blake's Moscow apartment in just the way that the replayed Jack Buchanan 78rpm record was in Burgess's.

Meanwhile, the uncertainties and suspicions that develop between the two men recall too many other mod-ern plays about two chaps biding their time - Waiting for Godot, of course, and especially Pinter's The Dumb Waiter, with its threatening implication that both surveillance and death wait just offstage.

Gray himself directs, and has brought together two of our most celebrated comic performers to play Blake & Bourke. (Maybe he was influenced by those productions of Godot that have used comedians.) It must have seemed an especially astute stroke of surprise casting to have Stephen Fry play the spy. Fry is the all-time façade: so damnably English on the one hand, and so perplexingly inex-pressive on the other. Watching a façade, however, is not a lot of fun in the theatre. You watch all those unyielding and unbending cubic feet of Fry's great body, and you listen to that suave, clubbable, heartless basso profondo voice of his, and time passes very slowly.

can turn your mind to Rik Mayall's performance as Bourke. Whereas Fry doesn't feel like an actor (merely an act), Mayall acts with absorption, variety, and attack. His sheer energy illumines the play, and he is one of those rare but blest performers who are so natural that occasional lapses of accent (Irish, in this case) is imma-

Now and then the play has its humour, and its inner pace is quickest when it concerns itself with funny little things - like the troubles the two KGB men. Victor and Stan. have with correct English, or Bourke's faux pas with them. "How's everything on the Western Front?" he asks them. Later, Victor tells Bourke "You brought us much funniness"; and Stan corrects Victor "Fun is the word" - spoken with such Russian solemnity that we laugh as they never

But the play begins in a trough of exposition. Theareafter, its general

Alastair Macaulay The Albery, WC2.



Rick Mayall and Stephen Fry

finally drove their economy to breaking point in their

attempts to counter it.

Perhaps some of this is aiready known to those who read international political journals and the latest academic tomes on contemporary history. Others may find themselves muttering "Well, well, well" as these and other star-tling facts are revealed in the BBC2 series Messengers From Moscow, which starts tomorrow. Following the collapse of communism Daniel Wolf has produced four engrossing documentaries which tell the story of the Cold War as seen from the Soviet point of view, starting at the end of the second world war, and ending with Gorbachev's perestroika. The result is a sort of history which has never been available

to any previous generation. In

the past the victors heard only

their own side's version of

events. These four programmes

not only provide the Soviet

version, they bring it straight from the horses' mouths. The technique is now well established. Archive film is married to a script which often utilises documents only recently released, and these are combined with interviews of key witnesses - politicians, interpreters, army officers - to produce a narrative account of events and simultaneously an informed commentary upon them. Thus tomorrow's programme features Leonhard Wolf, for instance, one of the men sent by Stalin to Berlin in 1945 to organise what was intended, as these programmes make clear, to be the communist take over of the whole of Germany. At another moment as we look at the KGB building where, we are told, Trotsky's assassination was planned and poisons were refined, we are

slowly made aware that the

pudgy-faced old man seen gaz-

responsible for these horrors. Wolf has perfected a neat and highly effective bit of visual grammar to put his witnesses into historical context. We hear a voice, talking. maybe, about Molotov. We

ing wistfully across the street

at his former office is Pavel Sudoplatov, the very man

then see either a still photograph or a film clip which freezes on one frame, showing Molotov on the occasion in question, surrounded by aides. interpreters, and so on. The picture then dims to leave a halo of light around one face. It is always the face, decades younger, of the person who is now being interviewed for the programme and whose voice we can hear. The effect is to say "He" - almost always he, though there is some film footage, now released by the KGB. showing Elena Bonner. otherwise Mrs Sakharov, being shadowed in the street while she campaigned for human rights - "does know what he is talking about; he was there".

Some of these witnesses now admit that the entire Soviet experiment was a disaster imposed with no trace of democracy upon the Russian peoples. Less predictably, more frighteningly, others seem to be still indignant about the manner in which Khrushchev denounced Stalin in his notorious speech to the 20th party congress. It seems that even today, nearly 40 years later. they are still concerned to protect the image of Stalin, the party, and the revolution, and unable to admit that the system and its proponents - especially Stalin - have been utterly discredited.

The special fascination of these programmes, particularly for anybody of 50 or more who has lived through the entire period, comes from comparing the descriptions of Soviet attitudes. Soviet feelings and Soviet beliefs with what we were told, and what we believed, at the time, whether during the Cuban missile crisis, the Vietnam war, or the detente of the Nixon period. It is sobering (especially, I suspect, for those of us who were Marxist-Leninists in the 1950s and Aldermaston marchers in the 1960s) to recognise now the appalling wrongness of the fellow travellers and the rightness of the Robert Conquests and the Bernard Levins, whom we dismissed as conspiracy theorists. Messengers From Moscow shows that it was, indeed, an elaborate and extremely nasty conspiracy.

The Servant takes the stage

Jou do not have to sift many tabloid revelations by disgruntled that no man - whatever his status - is a hero to his valet. Bill Alexander's period production of Robin Maugham's 1948 novel The Servant for the Birmingham Repertory Theatre Company is proof of how compelling this relationship can

Back in the brittle social heart of London after five wild and lonely years of military service in Africa, James Purefoy's apperclass Tony is sys-tematically reduced to a lifestyle of insulated indulgence by his seemingly indispensable

ST. JOSEPH'S HOSPICE MARE ST. HACKNEY, LONDON ES 4SA (Class) 24.1%, 27.829 So many arrive as

strangers, weary of poin and learful of the unknown They gladly stay as friends, secure in the embrocing warmth, fortified and cherished to the end with the help of your graceful gifts. I thank you kindly on their behalf. Sister Superior.

new manservant, Barrett. When there is Dover sole, lemon chatreuse and The at home, who needs nights out. city interviews, the dry sophisticated wit of David Phelan's deliciously repressed Richard Merton or the head-girl attentions of Amanda Harris's superbly petulant Sally?

With inscrutable efficiency, Paul Copley's smoothly engage ing and eerily unctuous Yorkshireman turns his master's need for his services into a crippling addiction. What Alexander leaves pointedly ambivalent in this contest of upper class values and working class guile is whose need of whom is greater.

"It would disturb me if I felt I was going beyond the mark" says Barrett, loading Tony's glass with whiskey just moments before foisting his sexually febrile 17-year-old "niece" Vera on his morally spineless employer.

The same chemistry is curiously missing between Purefoy's master and Copley's servant, the true nature of which seems to alip between the living room, the bedroom and the kitchen, and the floorboards of old fashioned melodrama.

Where Joseph Losey's 1963 film starring James Fox and Dirk Bogarde turned this psychological melodrama into a homoerotic cult. Alexander

underplays, even misplays, this ambivalence. Copley's performance, though creepily of the kind of sexual charisma that would keep Mary Whitehouse in thrall, let alone Purefoy's Tony or Fo Cullen's supposedly besotted Vera.
What has greater resonance

is the crumbling post-war class society so baldly locked out by Barrett when he bolts the shutters of Number 7 Benson Street in the first act. Temporarily parted from

Barrett in the second half, Tony falls impressively apart in a bingeing rage of self-pity. It is here that Alexander's muddy ambition finally catches up with Kit Surrey's staggered Upstairs Downstairs set. With floors looking chewed off around the edges and dilapidated brickwork jutting into the wings, the interior veneer and Tony's increasingly hollow pretences at civility belie the chill wind of cynicism and the cheerless reality of the unstable post-war years. Eventually only money seems to keep Barrett from snapping the props of Tony's condescending superiority like

so many hatchsticks.

A pal ably entertaining evening but those expecting the psychi-sexual fireworks of Joseph Losey's film version had better look elsewhere.

he antiques trade is always looking for new markets to exploit. In recent west lacking cash and moved to the east, and oriental works of art have become even more the rage. The new rich in China, Taiwan, Singapore and Thailand, plus the old Hong Kong buyers, have paid record prices in such fresh fields as modern Chinese paintings and furniture, to add to the continued global interest in Ming and Ching porcelain, iade, and the like.

At the Fine Art and Antiques Fair at Olympia which closes tomorrow evening, Shropshire dealer Peter Wain is profitably ploughing a new furrow. Chinese ceramics of the Republican period, 1910 to 1948, would not have raised a glimmer of interest a decade ago. Now keen collectors bought 27 of the 50 items Wain had on offer in the first two days of the fair. They come from the Kaynes-Klitz collection, built up by an enterprising couple work through fairs, a dozen a in Hong Kong in the 1960s. year, where they meet more The shapes differ from earlier ceramics: the objects, mainly

but the prices are much lower, .000.82 and £6.000. Few of the hundred-plus dealers at Olympia are doing Justin Hughes as well as Wain, but there is

makers; the quality is there -

vases and pots, are, for the

first time, signed by their

Antiques Fair Olympia looks to the Orient

an unmistakeable feeling of recovery after five years of sion. There were over 3,000 visitors on Wednesday. 1,000 more than a year ago, and they were anxious to buy especially anything unusual, of high quality, and realistically priced. Foreign collectors are out in force, including some Americans. By Thursday lunchtime Billingsburst dealer Wakelin and Linfield had sold 14 ieces, 12 of them overseas, including one to the King of Jordan. Like many dealers in the last few years Wakelin and Linfield shut down their under- visited shop and now

potential customers and enjoy much lower overheads. Among their late 18th and early 19th century furniture the exceptional item is one of the best gentleman's presses. or clothes store, to appear on the market for some time. Its

great attraction is that it is

totally unrestored from its 1780 origin. It is priced at £24,000. A feature of February

Olympia is the scrapping of date lines, so London's leading dealer in contemporary ceramics Anita Besson shows alongside Richard Philp showing Old Master drawings and early 17th century portraits. There is keen interest in this sector, which has suffered decades of Americans, keen to acquire some mythical ancestors. An unusual family group of grandparents and grand ughter, dated 1627, is priced

February Olympia is welcoming to foreign dealers and there is a strong French presence. But one of the happiest newcomers is Hague Fine Arts from Holland which has done extremely well, perhaps partly because its continental furniture and oriental ceramics are priced below UK figures. British dealers have been among its best customers, although the most unusual item, an early 17th century cabinet mmissioned from Japan by the Bentinck family and with an attractive veneer of rayskin, was still available at £82,500. This is one of the more expensive items in a fair that caters for the keen collector with between £1.000 and £10,000 to splash.

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حكذامن الأصل

alentine's Day 1995 marked the centenary of the first perfor-mance of The Importance of Being Earnest and the inauguration of Talk Radio UK; an interesting comment on the effect of universal education on public taste over the past 100 years. Be warned: TR UK is riveting, much as

a snake is riveting to a rabbit: you become ensnared by its balefully sleazy tawdriness. Each moment seems to have hit rock-bottom only to be surpassed in squalid banality by the next. Why did anyone think we needed it? Because the Americans have this sort of thing. For better or worse, Americans also have fewer restrictions and more aggressive vitality. The result here is an anaemic farce that falls flat on its face when compared with the savage "shock jocks" across the Atlantic.

On Tuesday afternoon a whimperingly self-ingratiating young man tremulously interviewed Britt Ekland. "You hate sport then, do you?" he asked. "I love sport."

Radio/Martin Hoyle

New 'shock-jocks' fail to deliver

she replied. "It's a swine, growing old, isn't it?" he persisted. "No, it's not," came the reply. She told us she had a ping-pong table at home and was shortly touring in Run for Your Wife with Robin Askwith ("just like my little brother - I can smack his botty"). She gave details over the air, asserting "there must be some people lis-tening in Glasgow and Edinburgh" in a distinctly doubtful tone.

The presenter revealed he had read freud, or at least the title of one of Freud's works. "Dreams are about things we wouldn't do in real life," he added nervously. "Twe done it all," snapped Miss Ekland, whom I was beginning to like. Shaun rang in to say he dreams in black and white and his girlfriend is an expert. "Put her on," they cried. "She's not here," he said. Of such exchanges are great con-

The session ended with the interviewer telling Britt how nice he had been to her. "I didn't want to talk to you as if the men in your life were the most important thing about you," he quavered, recalling Peter Sellers and Rod Stewart. "You did."

The next programme was fronted by a couple obsessed with showbiz gossip and kiss-and-tell stories. She (Carol) recounted her grouple experience in a star's hotel room when she "did the business". This

with general agreement that Blind Date with glad recognition. "Anne," came the with three celebs on the stand would be curt enlightenment. brilliant. Searing topical stuff.

The acid test came with Caesar the Geezer's nocturnal stint. Our own much-heraided shock-jock, he is "an ordinary guy who takes no crap", to quote the mid-At-lanticisms in which he flounders. Ordi-nary? Perhaps less articulate, logical or istent than most. He set the edifying tone by asking if God existed and hinting darkly that he had documentation confirming alien things in space. Callers were understandably slow in coming forward at first, though the father of Caesar's goddaughter reproached him for not seeing her for ten years. "Emma?" cried our hero

With British broadcasting so regulated, a would-be shocker can do little but wallow in infantile rudeness. A voice exclaims "Dickhead alerti" at such undesirables as Liverpool supporters who are then cut off, though Caesar claims tolerance for worshippers of "Mustapha, Buddha or Jesus Christ". His claim that "in 17 years of broadcasting i personally - I mean me as a person – have never had a complaint upheld against me" ts understandable: when a man is totally incoherent he is hard to pin down. He raged about some future entry into Europe, apparently unaware that we have been in

the European Union for some time. Cries of "crap!" and "stuff geography!" are the or -crap: and sturi geography: are the ne plus ultra of his political philosophy. "I'm British and proud of it!" he bel-lowed. As an iconoclast the Geezer has certain shortcomings.
The most depressing thing about this grabby-minded enterprise with its obsession with the seedy and pathetic is its listeners. Some not unintelligible people rang in to praise. Many sounded zonked out, some mentioned joints (panic from the broadcasters: "Say no to drugs!" they

squawked). Perhaps Caesar is the ordinary guy of our times and those who rule our destinies know exactly what they are doing. But what mind-numbing, nerve-grinding emptiness drives listeners to spend more than five seconds with this garbage? Wit-less, trivial, sordid and callow, it exists cheek by jowl with the greatest broadcast ing organisation in the world. And nobody finds it incongruous. There was a lot to be said for 1895.

he review at Liver pool's Walker Art Gallery of Maurice Cockrill's development as a painter over 20 years comes not before time, for he is one of the most interesting artists of his gener ation. Now in his late fifties, he was a serious contender last summer for the inaugural Jerwood Prize, and this retrospective in the city where he lived and taught from the 1960s to the 1980s is an appropriate accolade.

Yet only comparatively recently has he emerged as something of a star. He was a late starter, taking up the study of painting only at the age of 24. The review begins with him in his early 30s. because he had previously destroyed all his early work a wanton decision taken on impulse that he now deeply regrets. It took him some time to re-establish any working impetus, but since then development and change have been rapid and continuous.

At first he committed himself to photo-realism, a now somewhat dated genre that picked up upon certain aspects of Pop-Art, and seemed at the turn of the 1970s to offer a way forward for serious figurative painting. His were images of petrol pumps, bushes, a stall at a fete, the entrance to an anonymous modern office block. Yet flat and impersonal though they were in the painted surface, and detached in feeling in the rather febrile way afforded by an over-sharpened focus of the imagery, already they were moving away from mere transcription towards something more intuitively interpretive and expressive.

The most revealing works of this first phase are the prepa-ratory drawings, in particular two free and loosely-stated wash studies made in 1975 of that office entrance, almost abstract in their simplicity. No less significant is a drawing of a little girl, made for a large hillhoard commission for Lime Street Station in 1979. Obviously worked up from a photograph, it is anything but photographic in the handling, save for a sense of a wistful expres-

sion caught on the wing. In the 1980s, direct realist reference is abandoned while the vigour and freedom of the statement remains. Cockrill is by now an openly committed romantic expressionist, turning no longer to the world about him for his material, but to portentous symbolic themes

Wagnerian warriors and maidens, night and day, death and destruction, war and peace. Venus and Mars. And he is looking to expressionism and symbolism for his exam-



One of the last Romantics

William Packer admires the work of symbolic expressionist Maurice Cockrill

Moreau and ples. to Kokoschka, Beckmann and Ensor, Bacon and Guston. That is not to say he mere imitator. Since that shift from an external to an internal imaginative stimulus, there is a clear and readily identifiable personal vision in his work. And if through most of the 1980s the symbolic emphasis remains firmly with the

human figure, the way forward

to his present position, of

imagery more abstracted but

The Lott-Murray partnership

is built as much on a well-

matched pair of voices as on

long experience. They have

been working together - and

with Graham Johnson, their

accompanist on Monday - for

around 20 years, time enough

to cultivate the kind of musical

interaction a genre as intimate

(domestic, even) as the duet

founded in the landscape, was intimated from the start.

The show fills the Walker's two principal galleries either side of the main landing on the upper floor, and fixing the long axis from the one far end to the other are paintings that make the very point. On one end wall hangs "At the Frontier", a large invented landscape of 1982, dark and rich in colour, strong and free in the handling, its foreground occupied by ambiguous tent-like forms and what might be a shrouded stretcher. And on the far and opposite wall hangs a group of four large oval canvases, of 1990, of abstracted and symbolic landscapes representing the seasons.

While we might respect Cockrill's nerve in taking on in the meantime those great figure subjects - the Venus and Mars cycle, the times of day, the mother and child - it has to be said that the results in the paintings proper are often

Murray brought seamless line

the famous number (sung in

German) new beauty and

cleansing it of self-indulgence.

"On wings of song", giving

ponderous and awkward less Ceri Richards, and Paul Nash resolved and assured than in especially, one of whose mystical landscapes hangs in the the drawings that anticipate next room. Cockrill has earned them. It is in the later invented and abstracted landscapes that the right to keep such com-Cockrill has truly come to him-

self, and they sustain him still. In this, and almost alone in his generation, he represents that strain of romantic, symbolic expressionism in modern painting in which Britain has been peculiarly distinguished in the not so distant past shades of Graham Sutherland.

plicity of the music. Gounod

and Saint-Saëns were repre-

sented by two duets each: the

former's tranquil setting of Racine's "D'un coeur qui

Maurice Cockrill: Paintings & Drawings 1974-1994; The until March 19, then on to Nottingham. Also new diptych

paintings at Bernard Jacobson. 14a Clifford Street W1. until March 4. t'aime" was perhaps the most memorable, not least because

of Johnson's discreet but supportive piano playing. A pair of Fauré duets rounded off a pro-

gramme as short on pretension

as it was full of musical truths. John Allison

oint appearances by the soprano Felicity Lott and mezzo Ann Murray are always a double treat. Each singer is a very special artist in her own right, but together they make a team unique in a vocal world better known for rivalries. Their duet programme at the Barbican on Monday has been given with success in many opera houses; later this year in New York it

will open the Lincoln Center's

1995-6 recital season.

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AV International Limited. Unit F3C3, Bath Road __ Trading Estate, Strond, Gloucester GL5 3QF. England. requires to succeed. In Monday's concert they trod successfully the fine line between heartfelt sentiment and drawing-room sentimentality and between them had all the vocal colours to match the pro-

Duets full of musical

gramme's wide range.
The evening opened with a selection of Purcell songs in realisations by Britten. Soprano and mezzo blended evenly in "Sound the trumpet", struck teasing sparks off each other in "What can we poor females do?". Their Mendelssohn group was made up of similar contrasts, and two solos gave each singer a chance to reveal her qualities:

and Lott found all the freshness in "Neue Liebe". They evoked the wafting breezes of Rossini's sensuous "La Pesca" the earthy humour Murray found in "Anzoleta co passa la regata" prepared the apprecia-tive audience for the cheekily characterised "Cats' duet" (long attributed to Rossini).

As "The Sisters" in the first of Brahms's Four Duets, Op. 61, Lott and Murray balanced the girls with the outer sim-

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C10, 28, 25 Kircianan Concert Society/S Gordon Concert Mgt

Theatre/Sarah Hemming Crime beyond all reason

here is a deliberate irony in the title of Michel Vinaver's Portrait of a Woman. You might expect a rounded, detailed likeness of its subject - a neat little drama with a beginning, a middle and an end but in fact the play is more like one of those competitions where you are shown a corner of a famous painting and asked to guess the rest.

We are offered glimpses of a woman's life and character that we piece together to form our own portrait - the French playwright has said that he wants us to meet her as we would meet anyone, forming our impressions bit by bit from the information as we receive it, in dribs and drabs.

There is more to this than an intellectual and dramatic exercise, however. Vinaver's protagonist, Sophie Auzanneau, is based on a real French woman, Pauline Dubuisson, who shot her ex-boyfriend and fellow medical student in 1951. That woman was found guilty of murder and given a life sen-tence. Vinaver felt that the trial got nowhere near the core of the defendant or her reasons. His intention is partly to show us how ill-equipped the law is to deal with the complexity of a psychological makeup and the idiosyncracies of a

personal history.

He explores how the impera-tive of attributing responsibility and revealing a motive might simplify reality, how the world, as articulated in legal terminology, differs from the world as it stands, and how there is more than one truth to be uncovered. It is interesting material and Sam Walters' production is timely, given the debate about fair trials for Rosemary West and O.J. Simp-

So we watch as the prosecution and defence labour to contain Sophie and her actions rather like someone struggling to stuff an unwieldy duvet into shrunken cover. The piece is

presented as a courtroom drama but, as the trial unfolds, scenes from Sophie's life

repeatedly invade the stage. What do we learn? That she is a thoughtful, intense girl, given to spending hours up a tree reading novels. But she had a limited relationship with her parents. That she was sexually precocious but emotion-ally reserved. That she met Navier at college and that he fell hopelessly in love with her, but that he ended their relationship just as she fell for

In what frame of mind did she shoot him? Did she really love him? Was it a calculated act or a crime passionnel? By the end we still do not know Vinaver makes it clear that love, like life, sometimes escapes reason. And after everything, though we may have a picture of Sophie, she still resists interpretation but that, of course, is the point.

It is an intriguing, challenging piece. It is pretty hard-going dramatically, however, because the form demands little snippets of action, frustrating to watch and tricky to perform. The cast do well at fleshing-out the sketched characters under Walters' precise, fluent direction - particularly Simon Day as the earnest Xavier - and the whole thing is carried by a strong performance from Lucy Tregear, as Sophie, who has a fascinating, self-contained presence.

But despite this, and despite the humane humour that runs through the play, the very nature of the form makes it impossible to engage with Sophie. It is good at making you think, much less good at making you feel - which ultitiong, but unfulfilling, evening

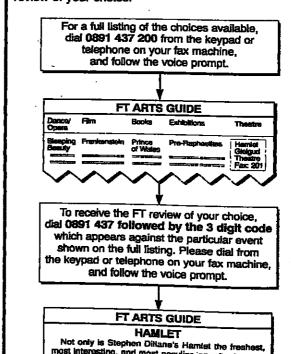
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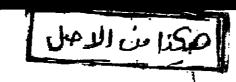
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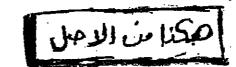
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■ Het Muziektheater Tel: (020) 551 Mazeppa: by Tchalkovsky. A Netherlands Opera production conducted by Harmut Haenchen and directed by Richard Jones.; 7.30pm;

BARCELONA

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What's on in

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■ Het Concertgebouw Tel: (020)

Royal Concertgebouw Orchestra: with soprano Sylvia McNair. André

Previn conducts Debussy, Roussel

and Ravel; 8.15 pm; Feb 22, 23, 24

Royal Concertgebouw Orchestra: with soprano Barbara Hendricks.

Previn, Barber and Copland; 8.15pm;

Rijksmuseum Tel: (020) 673 21 21
Art of Devotion 1300-1500: winter

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Feb 18, 19 (2.15 pm)

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Julian Schnabel: works by the American artist including 30 large format paintings and four monumental sculptures displayed outside the building; from Feb 23 to May 14

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GALLERIES ■ Neue Nationalgalerle Tel: (030)

George Grosz, Berlin-New York: exhibition of the German Dadaist who emigrated to the US; to Apr 17 OPERA/BALLET ■ Deutsche Oper Tel: (030) 341

 Das Rheingold: by Wagner. Conductor Horst Stein, production by Götz Friedrich; 7.30pm; Feb 19 Die Meistersinger von Nürnberg: by Wagner. Conducted by Rafael Frühbeck de Burgos, production by Götz Friedrich; 5 pm; Feb 19, 23 Oedipus: by Rihm, conducted by

Peter Keuschnig, produced by Götz

Friedrich; 7pm; Feb 21 (7.30pm)

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GALLERIES ■ Kunst-und Ausstellungshaße Tel:

(0228) 9171 236 Under the Volcano Antique asterpieces: second in the "Great Collections Series", this exhibition represents a modern "excavation" from among the 200,000 works of the Museo Archeologico Nazionale di Napoli that includes statues, frescoes and ceramics; to Jun 5 (Not Mon) Wunderkammer of the Occident: a journey through the history of European museums and collections. with more than 2,000 objects that have been collected by Europeans since the Renaissance; to Feb 26 (Not

BRUSSELS

OPERA/BALLET ■ De Munt/La Monnale Tel: (02) 218 22 11 Il Trionfo Dell'Onore: by Scarlatti. Conducted by Patrick Davin and

produced by Joël Lauwers; 8pm; to Mar 2 (Not Mon) Il Trittico: by Puccini. A new production directed by Stein Winge, conducted by Antonio Pappano; 7pm; Feb 19 (3pm), 21, 24

E COLOGNE

CONCERTS ■ Wallraf-Richartz Tel: (221) 221

2379 Maurice Denis: exhibition of works by the French painter associated with the Nabis group; to Apr 2

FRANKFURT

CONCERTS ■ Alte Oper Tel: (069) 1340 400 Michael Quast: lovesongs; 8pm; Feb 18 GALLERIES

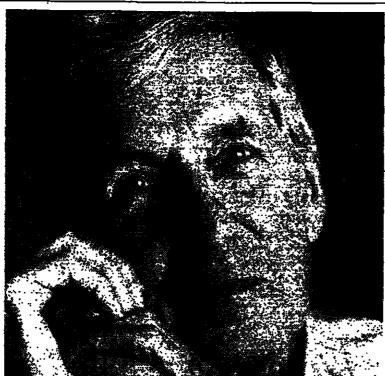
Museum für Moderne Kunst Tel: (069) 212 304 47 Herald Pompt-Michael Relter: experimentation with modern materials; to Feb 24 (Not Sun)

E LONDON

CONCERTS ■ Berbican Tel: (0171) 638 8891 Haydn in London: Raymond Leppard conducts the English Chamber Orchestra to play Haydn, Mozart and Viottl in a concert that marks the 200th anniversary of the composer's visit to London; Spm; Feb

Sony I Forgot Valentine's Day: If you missed Valentines day, Paul Wynne Griffiths conducts the London Concert Orchestra and planist Sarah Beth Briggs to play another evening of romantic classics; 7.30pm; Feb 18
Tippett: Visions of Paradise: Sir Colin Davis conducts the London Symphony Oronestra in a programme





Visions of paradise: Sir Michael Tippett is 90 this year

that includes the world premiere of Tippett's, 'The Rose Lake'; 7.30pm; Tippett: Visions of Paradise: Sir Colin Davis conducts the London Symphony Orchestra and violinist Midori to play Stravinsky, Sibelius and

Tippett's Symphony No. 4; 7,30pm; Feb 23 ■ Festival Hall Tel: (0171) 928 8800 Classical Gala Night: a night of classics with the London Concert Orchestra, The Royal Choral Society and the Band of Welsh Guards under

the direction of David Arnold; 7.30pm; Feb 18 Novosibirsk Philharmonic Orchestra: with pianist Paul Crossley and bassist Anatoli Safiulin. Arnold

Katz conducts Prokofiev, Shostakovich and Rachmaninov: 7.30pm; Feb 20 ● The London Philharmonic: Zubin

Mehta conducts Schubert, Berg and Elgar; 7.30pm; Feb 23 ■ Purcell Room Tel: (0171) 928 ● The Two Sides of Steve Williamson; alto, soprano and tenor

jazz saxophonist plays a set that encompasses his straight ahead and rhythm-groove styles; 7.30pm; Feb 21 Barbiçan Tel: (0171) 638 8891 Impressionism in Britain: the first

comprehensive survey of the development of Impressionism in Britain. Over 200 works by over 100 artists including Degas, Rothenstein and Whistler, to May 7 ■ British Museum Tel: (0171) 636

Byzantium: treasures of Byzantine art and culture from British collections; to Apr 23 (Not Sun) # Hayward Tel: (0171) 261 0127 Yvas Klein: over 110 works conveying

the full range of his output from intings and sculpture to installations, events, architectural schemes to stage and film scenarios;

to Apr 23 ■ National Gallery Tel: (0171) 839

Spanish Still Life: from Velázquez to Goya; from Feb 22 to May 21 ■ Photographers Gallery Tel: (0171)

Photography from the Former Soviet Union: exhibition in both galleries of past and present Soviet photographers, including the work of Alexander Rodchenko; to Mar 18 Roy Miles Gallery Tel: (0171) 495

Anderson and Low: platinum-palledium prints of knages based on classical themes, ranging from sculpture and Renaissance tableaux to geometrical studies; from Feb 21 to Feb 28 Royal Academy Tel: (0171) 439

Poussin: more than 90 works by the French artist. Centerpiece of the exhibition are the two series of the Seven Sacraments"; to Apr 9 ■ Serpentine Tel: (0171) 402 0343 Man Ray: exhibition of works by the celebrated artist; to Mar 12 Tate Tel: (0171) 887 8000 Willem de Kooning: an exhibition of more than 70 paintings drawn from

private and public collections worldwide; to May 7 ■ Victoria and Albert Tel: (0171) 938 8500 Warworks: women photography and

the art of war. A perspective of war through the eyes of international women artists; to Mar 19 OPERA/BALLET English National Opera Tet:

(0171) 632 8300 Madama Butterfly: Puccini's opera, originally directed by Graham Vick, 7.30pm; Feb 22, 24 Rigoletto: Jonathan Miller's updated version of Verdi's opera

7,30pm; Feb 18, 23 Royal Opera House Tel: (0171) Der Rosenkavalier: by Strauss. Conducted by Andrew Davis, directed by John Schlesinger. Sololsts include

where the duke is a mafta boss;

Felicity Lott/Anna Tomowa-Sintow as Prinzess von Werdenberg; 6.30pm; Feb 20, 24 La Bohéme: by Puccini. Conducted by Simone Young/Paul Wynne Griffiths, directed by John Copiey. Soloists include Angela Gheorghiu/ Amanda Thane as Mimi

and Maria McLaughlin/Judith Howarth as Musetta; 7.30pm; Feb 21, 23 The Prince of the Pagodas: by Britten. A Royal Ballet production choreographed by Kenneth MacMillan opens a Benjamin Britten "mini stival" at the Royal Opera; 7.30pm;

Albery Tel: (0171) 876 1115 As You Like It by Shakespeare. Declan Donnellan directs an all male cast that includes Adrian Lester and Richard Cant; 7.30pm; (Not Sun)

 National, Cottesioe Tel: (0171) 928 2252 Dealer's Choice: written and directed by Patrick Marber, six men stay up late to play poker, and win at all

costs; 7.30pm; Feb 18 (2.30pm), 20, M National, Lyttelton Tel: (0171) 928

Out of a House Walked a Man: by Daniil Kharms. A Royal National Theatre and Theatre de Complicite co-production of a collection of musical scenes by the Russian absurdist writer, 7.30 pm; Feb 18 National, Offivier Tel: (0171) 928

 The Merry Wives of Windsor: by Shakespeare. Terry Hands directs his first production at the National. With Denis Quilley as Falstaff, Brenda Bruce as Mistress Quickly and

Geraldine Fitzgerald as Mistress Ford; 7.15pm; Feb 18 (2pm), 20 The Wind in the Willows: Edward Kemp's recreation of Nicholas Hytner's original production by Alan Bennett, adapted from the novel by Kenneth Grahame; 7.15 pm; Feb 21, 22 (2pm), 23

The Libertine: by Stephen Jeffreys, directed by Max Stafford-Clark. Cornedy based on the works of the

Royal Court Tel: (0171) 730 1745/

2nd Earl of Rochester, 7.30pm; to ■ Shaftesbury Theatre Tel: (0171) 379 5399

The Three Lives of Lucie Cabrol: dapted from John Berger by Mark Wheatley and Simon McBurney, who also directs. The Theatre de Complicite presents this violent love story; 7.30pm; to Feb 25 (Not Sun)

II LOS ANGELES

Dorothy Chandier Pavilion Tetzlaff plays Beethoven: Esa-Pekka Salonen conducts The Los Angeles Philharmonic with violinist Christian Tetzlaff to play Beethoven, Schoenberg and Sibelius; 8pm; Feb 18 (2.30pm), 19 (2.30pm)

MADRID

GALLERIES ■ Fundación Juan March Tel: (91) 435 48 40/435 42 40 Klimt-Kokoschka-Schlele: exhibition of 35 works by the three Viennese artists; to May 21 Mercado Puerta de Toledo Tel:

(91) 366 7200 The Golden Age of Dolls: exhibition marking the 'Golden Age' of toy making (1840-1940), and its social impact. Over 800 exhibits; to Feb 24 Frado Tel: (91) 420 28 36 Zurbarán: Jacob and His Twelve

Sons; to Apr 30 Reina Sofia Tel: (91) 468 30 02 Salvador Dali: the early years; to Jun

MUNICH

GALLERIES ■ Haus der Kunst Deutsche Romantic: previously on

show in London, this exhibition has created much discussion in Germany. It examines the work of early German Romantic painters and their cultural and political impact on later German ts; to May 1 Kunsthalle der

Hypo-Kulturstiftung Paris-Belle Ecoque: An evocation of the period from 1880 to 1910, with paintings, drawings, posters, photographs, glass and furniture; to Feb 26

■ Villa Stuck Tel: (089) 45 55 51 0 African Seating: exhibition of traditional African arts, mostly from the early part of this century, that concentrates on seating, from simple every day designs to omate wooden thrones: to Apr 23

OPERA/BALLET ■ Bayerische Staatsoper Tel: (089)

 Der Junge Lord: by Hans Werner Henze. A new production by Günter Kramer and conducted by Dennis Russell Davies; 7pm; Feb 20, 23 Der Wiederspenstigen Z\u00e4hmung: music by Scarlatti. A Bayerische Staatsballett production with choreography by John Cranko and conducter by André Presser, 7.30pm; Feb 24 It Trovatore: by Verdi. Conducted by Miguel Gomez Martinez, produced

King Arthur: music by Purcell. A William Christie and Graham Vick production; to Feb 19 M Opéra Comique Tel: (1) 42 96 12 Lakmé: by Delibes. Conducted by Frédéric Chasin and produced by

Gilbert Blin; 7.30pm; to Feb 18 ■ Opéra National de Paris, Bastille Tel: (1) 47 42 57 50 La Damnation de Faust: by Berlioz. by Luca Ronconi. In Italian; 7pm; Feb Conducted by Myung-Whun Chung

MEW YORK GALLERIES

■ Guggenhelm Tel: (212) 423 3652 Ross Bleckner: mid-career retrospective of the American artist consisting of approximately 75 paintings and works on paper to May and produced by Luce Ronconi.

Teatro Dell' Opera Tel; (06)

Opera House, London staging

8.30 pm; Feb 18, 21, 24 (6pm)

E STUTTGART

Ferro; 7.30pm; Feb 22

E VIENNA

Tel: (1) 505 13 63

CONCERTS

OPERA/BALLET

Cosi Fan Tutte: by Mozart. The Royal

directed by Jonathan Miller comes to Rome with conductor Evelino Pidò;

■ Stzatsoper Stuttgart Tel: (07) 11

Macbeth: by Shakespeare, music by

Verdi. A new production by Ruth

Berghaus, conducted by Gabriele

■ Gesellschaft der Musikfreunde

Streich Quartet plays Beethoven, Dvořák and Shostakovich; 7.30 pm;

The Great Symphonies: Georges

Vienna Symphony Orchestra to play

■ Kennedy Centre Tel: (202) 467

Norman Scribner conducts Menotti and Williams' 'Dona Nobis Pacem';

National Symphony Orchestra

Royal Philharmonic Orchestra:

planist Eliso Virsaladze plays Britten,

Porkofiev and Stravinsky: 3pm; Feb.

National Gallery Tel: (202) 737

Landscape as Culture: Lois

Conner travels through Asia recording

architecture and landscapes with her

100 year old banquet camera; to May

Paintings from Shiraz: the arts of

the Persian book created in the city

Kennedy Centre Tel: (202) 467

Hansel and Gretel: by Humperdink/

Rick McCullough. A production by the

Washingtopn Ballet; 7.30pm; Feb 23,

■ Washington Opera Tel: (202) 416

Vanessa: by Samuel Barber. Director

Michael Kahn, conductor Christopher

Arena Stage Kreeger Theater

Hedda Gabler: Henrik Ibsen's drama.

directed by Liviu Ciulei and translated

by Christopher Hampton; 7.30pm; to

■ Foiger Theater Tel: (202) 544

Private Lives: by Noel Coward. A

Folger Shakespeare Library and

Pat Carroll directs this comedy of

■ Horizon's Tel: (703) 519 9123

Kindertransport: by Diane Samuels.

Jane Latman directs a moving play

Nazi Germany and the survival of a

■ Roundhouse Theater Tel: (301)

Dog Logic: by Tom Stretich, directed

■ Shakespeare Tel: (202) 393 2700

Williamson; 8pm; to Mar 19 (Not Mon)

Love's Labour's Lost: by

Shakespeare. Directed by Laird

Studio Theater Tel: (202) 332

Gardner's autobiographical work,

directed by John Going. Sun 2pm

Conversations with My Father. Herb

and 7pm otherwise; 8pm; to Feb 26

■ Woolly Mammoth Tel: (202) 488

Ridley. An eerle story set in the post apocalyptic future directed by Rob

The Pitchfork Disney: by Phillip

Bundy, to Feb 26

by Jerry Whiddon; 8pm; to Feb 19

woman and her relationships; 8pm; to

about the repression of memorie

Interact Theatre Company production.

merry mixups; 7.30pm; from Feb 18

Keene: 8pm; Feb 19 (2pm)

of Shiraz during the 14th-16th.

century; to Sep 24

OPERA/BALLET

7800

THEATRE

933 1644

(Not Mon)

3300

Tel: (202) 554 9066

er 19 (Not Mon)

Conductor Yuri Ternirkanov with

Pops: Great American Music

Ensemble. A Valentine's Day

program; 8.30 pm; Feb 18

Prêtre conducts members of the

Strauss; 7.30 pm; Feb 22, 23

■ WASHINGTON

CONCERTS

8.30 pm; Feb 19

GALLERIES

Chamber Music: the Viennese

18, 20, 23

PROME

481601

OPERA/BALLET

Soloists include Béatrice Uria-Monzon

as Marguerite, and Thomas Moser/

Gary Lakes as Faust; 7.30pm; Feb

■ Guggenheim Soho Tel: (212) 423 Antoni Taples: 55 of the leading Spanish artist's most important works dating from 1946 to 1991; to Apr 23

Metropolitan Early Renaissance Florence: 100 panel paintings and manuscript illuminations by masters of the Gothic style; to Feb 26 (Not Mon)

 The Kilenge of New Britain:
 Photographs by Phillip Dark: reveal the art, performance and daily life of the Kilenge people from the North West coast of New Britain, east of

New Guinea; to Jul 28 Thomas Eakins: exhibition honoring the 150th anniversary of the birth of the artist. This installation of about 30 works from the museums holdings explores the museums

continuing interest in Eakins: to Feb

Museum of Modern Art Tel: (212) Kandinsky: Compositions: exhibition featuring approximately forty works including seven of the surviving

'Composition' paintings; to Apr 25 ■ Whitney Museum Franz Kline: Black and White 1950-61: Abstract Expressionist works from the last decade of the

artist's life; to Mar 12

OPERA/BALLET ■ Metropolitan Tel: (212) 362 6000 Der Rosenkavalier: by Strauss. Produced by Nathaniel Merrill, conducted by James Levine; 7.30pm;

 Il Barbiere di Siviglia: by Rossini. Produced by John Cox, conducted by David Atherton; 8pm; Feb 18 (1.30pm)

La Traviata: by Verdi. Produced by Franco Zeffirelli, conducted by John Fiore: 8pm; Feb 22 Simon Boccanegra: by Verdi. A new production directed by Giancarlo del Monaco; 8pm; Feb 21 ● Turandot: by Puccini. Produced by Franco Zeffirelli, conducted by Nello Santi; 8pm; Feb 18, 20, 23

THEATRE ■ Circle in the Square Tel: (212) 239 6200

Italian Renaissance Architecture: Uncle Vanya: by Chekhov. Cast Brunelleschi, Sangallo, Michelangelo, includes Tom Courtenay, Amanda the Cathedrals of Florence, Pavia and Donohoe and James Fox; 8pm St. Peter's; to Mar 19 ■ Jean Cocteau Repertory Tel: ■ Sackler Tel: (202) 357 2700 (212) 677 0060 The Cherry Orchard: by Chekhov. A examples of all 103 designs by new production directed by Eve Hiroshima Kazuo, the worlds greatest Adamson; 8pm; to Mar 3 basketmaker, to Jun 9

■ Joseph Papp Public Theatre Tel: (212) 598 7150 The Merchant of Venice: by Shakespeare. Directed by Barry Edelstein, and with Ron Leibman playing Shylock; 8pm; (Not Mon) Performing Garage Tel. (212) 966

The Hairy Ape: by Eugene O'Neili. A presentation by the Wooster Group with Willem Dafoe and Kate Valk; 8pm; to Feb 19 Roundabout Theatre Company Tel: (212) 869 8400 The School for Husbands/The Imaginary Cuckold: by Molière. Michael Langham directs Richard Wilbur's translation and stars Brian Bedford; 8pm; to Mar 12 (Not Mon)

PARIS

CONCERTS ■ Champs Elysées Tel: (1) 47 23 37 National Orchestra of France: with socrano Françoise Pollet and conducted by Michel Tabachnik plays Berg, Mahler and Debussy; 8pm; Feb

■ Opéra National de Paris, Bastille Tel: (1) 47 42 57 50 Myung-Whun Chung: conducts the orchestra and choir of the Paris National Opera to play Beethoven;

GALLERIES ■ Galerie Schmit Tel: (1) 42 60 36

From Delacroix to Matisse: exhibition including the works of Delacroix, Matisse, Picasso and Degas; to Apr ■ Georges-Pompidou Tel: (1) 42 77 12 33

 Brassal: works by the French photographer; to Apr 3 (Not Sun) Kurt Schwitters: exhibition of works by the German Dadaist, to Feb Louise Bourgeois: retrospective of

drawings: to Apr 17 The African Collection of Magnelli: African sculptures and masques collected by Susi Magnelli; to Mar 20 Musée Cornuschi Tel: (1) 45 63 Japan, Tastes and Tranquility: The Japanese Tea Ceremony: the

historical and philosophical development of the Japanese ceremony; to May 14 (Not Sun) ■ Musée d'Art Moderna, Ville de Parts Tel: (1) 47 23 61 27 André Derain: 350 works spanning his entire career; to Mar 19 (Not Mon) ■ Musée d'Orsay Tel: (1) 45 49 11

James McNeill Whistler: exhibition of works: to Apr 30 OPERA/BALLET

■ Châtelet Tel: (1) 40 28 28 40

ZURICH # GALLERIES

Kunsthaus Zürlch Degas-The Portraits: a new exhibition on the portraits of Edgar Degas; to

OPERA/BALLET ■ Opernhaus Tel: (01) 262 09 09 Der Freischütz: By Weber, Conducted by Nikolaus Hamoncourt and produced by Ruth Berghaus. Soloists include Inga Nielsen and Malin Hartelius; 7.30 pm; Feb 22

CHESS

America's Gata Kamsky won another impressive victory in the Fide world championship semi-finals at Sanghi Naghar this week when he trounced his Russian opponent Valery Salov 5%-1%. Anatoly Karpov led Boris Gelfand 31/2-21/2 in the

other semi-final. No Kamsky match is complete without an incident involving his father Rustam. This time the flashpoint occurred at the opening ceremony in India when Kamsky's coach exchanged a few pleas-antries with Gelfand. Kamsky pere made his displeasure known with what some called an assault, others a scuille;

and within 24 hours the unfor tunate coach was on a flight back to New York. Not that it bothered Gata, who won three games impres sively as White and drew resourcefully as Black. He is now favourite to beat Vishy Anand in next month's PCA candidates final and to become

challenger for both world titles. (G Kamsky, White; V Salov, Black; 3rd game, Sanghi Naghar 1995). 1 d4 d5 2 c4 e6 3 Nc3 Be7 4 Nf3 Nf6 5 Bg5 h6 6 Bh4 Nbd7 7

e3 0-0 8 Rc1 c6 9 Bd3 dxc4 10 Bxc4 b5 11 Bd3 a6 12 a4 bxa4

13 Nxa4 Qa5+ 14 Nd2 Bb4 15

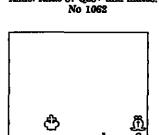
Nc3 c5 16 Nb3 Qd8 17 0-0 cxd4

18 Nxd4 Bb7 19 Be4 Qb8 20

Ne6 Bxc6 21 Bxc6 Ra7 22 Bg3 Ne5 23 Qd4 Bd6 24 Ne4 Nxc6? Better Nxe4, hoping to draw against White's bishop pair. 25 Nxf6+ gxf6 26 Rxc6 Be5 27 Qg4+! After 26 moves of

book which now gives 27 Bxe5? Kamsky demonstrates his homework. A bishop-rook regroup produces a winning

Kh7 28 Qe4+ Kg7 29 f4 Bc7 30 Be1! Qb5 31 Rf3 Rd8 32 Rg3+ Kh8 33 h3 Qd5 34 Qc2 Bd6 35 e4 Resigns. If Qd4+ 36 Bf2 wins a rook, while if Qb5 36 Rxd6! Rxd6 37 Qc8+ and mates.



White to move and win: this endgame has defeated experts. and it was once claimed that

Boris Spassky gave up trying after 45 minutes. Solution, Page XIV

Leonard Barden

BRIDGE

My hand today comes from teams-of-four. See if your bidding and dummy play can

match the declarer's: Choral Arts Society of Washington: ♣ Q 8 6 2 ♥ A 5 4 ♦ K Q 10 8 ♣ K 4 ♣ AK10974 **♥** J 10 6 6532 **∔** J9632 ♣ A 10 7 **♦ AJ94**

4 Q85 With neither side vulnerable, East dealt and bid one spade. South and West passed and North re-opened with a double. East passed and South, on his good hand, jumped to three hearts. North raised to four to close the auction.

West led the spade knave and South took stock. A 3-2 Grange, Bisley, Surrey. Only trump break must be assumed one copy per family. - otherwise, there was no hope. The knave held and

another spade was ruffed in hand. The declarer cashed his heart king and crossed to dummy's ace, dropping West's queen. East was marked with the club ace, so South led the four from the table. East was forced to duck - if he wins, he

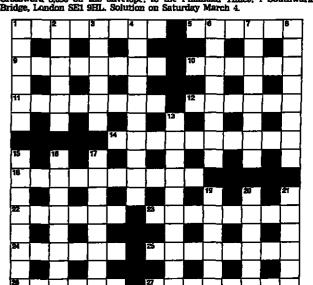
hands the contract to declarer. The queen won and a diamond was led to the 10. Now the spade eight was ruffed and the diamond knave was played to the queen - East does not gain by ruffing - and the spade queen was ruffed with South's last trump. Diamonds were continued. East ruffed, but that did not beat the contract. After East cashed the club ace dummy ruffed the next lead and made the rest of the tricks. Brilliant avoidance and en pas-

sant play. ☐ If you would like a leather bridge diary with a summary of the Acol system, absolutely free, write to Mr Bridge, Ryden

E.P.C. Cotter

CROSSWORD

No. 8,690 Set by DINMUTZ A prize of a classic Pelikan Souveran 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of 835 Pelikan vouchers. Solutions by Wednesday March 1, marked Crossword 8,690 on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 9HL. Solution on Saturday March 4.



1 Fetter's view has nothing taken from it (6) Norse god included in prayer for plenty (8) taken from it (6)
5 Silk-producer takes a rest on 2 Coveted Parisian life in the a table (6)

9 Wren, for example, loves tin 3 Lower world, as in Ancient 9 Wien, for exampled (8)

10 Recent fashion all our sailors

11 The sailors of th 11 One often called a smart 6 in favour of plant being deep 12 Malevolent creature cutting 7 One seeking satisfaction in

centre from French tapestry 14 Stitchers of sail-cloth, for example, find mast is inch 13 Extraordinary name, perhaps, out (lin) 18 Remote areas of Highbury 15 Scrutineers of draughts in

ground? (10)

22 Tendency to wheeziness from

16 Examination on a single occasion accomplished (8) 23 He will scoff anything and 17 Films of exploits around river scoff at nothing (8) 24 Young things hard to catch in 19 To undress, I would pull up

25 Joined forces? (8) 26 Rub in with force (6) 27 Dull club for evening out? (8) Solution 8,689

21 Songwriter's capital no longer divided (6) Solution 8,678 THUMBNAIL TRUCK R N E M I O S E OCHRE ADVENTURE O E R T I E R P PLAYGROUND OPUS EMIGRATE GAMBLE
D S A R G A A
IMAGINED SCALES
B I U M U M V
LEAVENED ESCORT

extreme (6)

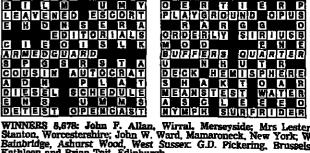
the early hours? (8)
8 Filthy state from standing on

in carbolic acid (10)

singlet (6) 20 Hat of a good sort (6)

WINNERS 8,678: John F. Allan, Wirral, Merseyside; Mrs Lester, Stanton, Worcestershire; John W. Ward, Mamaroneck, New York; W. Bainbridge, Ashurst Wood, West Sussex G.D. Pickering, Brussels; Kathleen and Brian Tait, Edinburgh





Peter Aspden



War on testosterone-charged tension

National service, run as a university of life, might just make us all well-rounded human beings and less squeamish

am sorry to say it, but events over the past couple of weeks have forced me to conclude that we should bring back

national service. I am thinking, in particular, of the unfortunate assault on James McGuire, an Aldershot civilian. by four high-spirited members of the local parachute regiment. In lamenting the attack, Julian Critchley, the MP for Aldershot, put his finger on the trigger, as it were: "Their training makes them on the one hand probably the best infantry in the world, but on the other hand creates trouble for their garrison town."

views have unveiled a highly unpleasant backdrop of resentment between civilians and squaddies in many parts of the country, particularly on those unwinding. de-stressing Friday and Saturday

Well, what should we expect? We create a professional army, com-posed of volunteers who might just have an ounce or two more aggression than the rest of us to start with, and then drill them, tune them, hone them until they become the ultimate fighting machine. Come the time to relax, the machine finds it hard to switch

itself off. A chance encounter outside the pub with some unemployed loafers, or off-duty French footballers, and the touch-paper is lit. The only surprise is that it does

not happen more often. It strikes me as hypocritical that democratic society, having cided that it needs occasionally to embrace violence and aggression to protect its core values, should hive off these unpleasant functions to a professional core of highly-trained young men who are then periodically asked to integrate socially with their less belli-

improved when the joys of an army life are ravishingly portrayed in all their glossy glory in movie adverts which have the gall to end with an off-duty trooper strolling along a tropical beach with a worshipful megababe in tow. Subtle it is not, and absolutely guaranteed to send entire regiments of disaffected local youth rabid.

In countries with conscript armies, these unforgettable weekend nights of testosterone-charged tension simply do not occur; on seeing a group of soldiers, one merely feels sorry for the group of cose contemporaries.

The situation is scarcely work. They, in their turn, carry

none of the swagger of the well- with small encounter groups dur-practised warrior, wearing instead ing which everyone would learn gaunt look of one who longs for just one sweet night on a soft

This all makes sound, egalitarian sense. If we judge there is a need for it, we should all - men and women alike - carry the hideous knowledge of what it is like to drive a bayonet into a bag of straw made up as the enemy, or spray a few dozen rounds of machine-gun fire into dummies dressed as eightvear-old children.

But my national service would have its nice days, too. I would follow a day of unleashed hostility how to thread beads and listen to Crosby, Stills, Nash and Young albums. Then, maybe a bit of painting, a couple of hours of music and an excursion to a Third Division football match. My national service would be a university of life - no textbooks, no teachers, the only lessons being

lurched from one extreme of the human condition to the other. We would then, at least, emerge as well-rounded human beings, exquisitely poised, as Norman Mailer memorably said of Robert

those which we picked up being

Kennedy, somewhere between a blade of steel and a blade of grass. If we decided to go to war, we would all know exactly what that meant, and we would never be shocked by footage of napalmed hables or raped old wome

We would never be tempted to see Quentin Tarantino movies because they would just seem plain silly, instead of stylish and silly, and we could all meet in the centre of Aldershot on a Saturday night, manfully thump each other on the back and discuss the novels of George Eilot. In battle, our oppo-nents simply would not stand a

ini, Fini...Musso-lini!" shouted the self-proclaimed leader of the Italian Right descended on London this week to show the British his democratic credentials. For the - no doubt sincere

Anti-Nazi Leaguers penned outside the conference centre near Parliament Square, there was nothing to discuss.

As far as they are concerned, Gianfranco Fini leader of the neo-fascist Italian Social Movement (MSI), which transmuted last month into the "antifascist" National Alliance, is a fascist still.

The object of their hate is a smart 43-year-old from Bologna, tall, slim, and selfassured. He wears professorial specs and smokes Marlboro cigarettes. In the past he has been likened to a bank clerk. The comparison does not wash: Fini is too smooth. Occasionally disdainful, he is also fluent, emphatic - and always, it appears, in control of himself. Fini sounds good. He looks

good. Is he too good to be true? Inside the conference hall, a veteran of the far left rose to protest that the Wednesday evening meeting was taking place at all. Fini scarcely blinked. He went on to give members of the Royal Institute of International Affairs the blandest possible account of the Italian political scene in the wake of the collapse of Silvio Berlusconi's coalition government, of which his party

Asked about his intentions towards Istria, the region of former Yugoslavia occupied by Mussolini Fini - who 30 months ago was throwing "We Will Return" bottled messages into the sea off the coast - said he merely wanted to negotiate guarantees for the Italian-

speaking minority. When the neo-fascists were a marginal party drawing 5-6 per cent of the vote, Fini's antics est to the outside world. Today, the polls say his Alliance commands nearly 20 per cent of the vote and is the third force in Italian politics. Fini is suddenly the man to watch.

Later that evening, secure in his suite at Claridges, I asked the Alliance leader what he made of the demonstrations.

"It would make the Italians laugh," he said. "As for me, it leaves me indifferent." He added: "Nobody in Italy today asks me to account for the past. The anti-fascists and excommunists were saying some months ago that people should watch out for Fini. After the congress [when the MSI was wound up they nearly all said that the svolta [turning point] give it due credit."







Private View / Christian Tyler

The three phases of Fini

Do you not feel it necessary to make some more positive declaration for non-Italians? "It hasn't been said, it has been written. Because words fly away and writing remains.

We have come to terms with I reminded him that his former coalition partner, Umberto Bossi of the Northern League, had a few days ago warned that a Berlusconi-Fini govern-

ment would be a fascist At this point Fini's smiling . a duriy old with a close-cropped bullet head, started muttering in a

curiously squeaky voice. "Nobody takes Bossi seriously any more," retorted Fini. Bossi belongs to Italian political folklore. He's destroyed his

party and his credibility." Fini has in the past described Mussolini's fascism as "an interesting phenomenon", as a regime which was not entirely negative (at least until promulgation of the racial laws in 1938) and as an episode whose memory it was

the MSI's task to preserve. Today, he says it is for historians to decide what was good, what bad. "In some aspects it had some positive moments." such as its social legislation, but what was good was good only in its context.

Is there anything from it you would adopt now? "No, because it was a response to Soviet totalitarianism and it has nothing to con-

Why did you tell La Stamoa that Mussolini was the greatest statesman of the century? "Perhaps I made a mistake, perhaps the journalist was

tribute now."

Giantranco Fini, the Italian politician, was in London this week to explain that he is no longer a

very malicious. I said that he was one of the men who had most characterised the 20th century. I didn't want to make a value judgment ... saying he was the greatest. But he was certainly a man who left many marks on the century. This is incontestable."

Do you feel obliged to shake "Yes, to consign the past to the judgment of history."

I mean your own past. My past is well known to Italians. No Italian will reprove me for it. Or those who might won't vote for me."

In a message to the final congress of the MSI, Fini wrote that the party was evolving. not being dissolved. Only something which was mistaken could be dissolved. I asked him: Will you not say you made mistakes in the past?

"Certainly I have made mistakes. No one should be so presumptuous as to think they I mean have you changed your ideas?

We have changed much. If you look at the constitution of the MSI and of the National Alliance you will see there are many and profound differences. I wrote this myself. When I write, I am consulting my brain, not just using my hand."

How have you changed per-

"I am today convinced that the first principle of democracy is that there should be adversaries, not enemies. I hope you will understand the difference because it can seem like just a play on words in Italian. An enemy is there to be destroyed. The adversary is to be opposed but respected. Some years ago I would not have said that." Fini grew up in the culture of political violence of the late 1960s and early 1970s, in a family with a history of political militancy of both varieties. His wife, like himself, was a mem-ber of the MSI's sometimes sin-

ister youth movement. Today, Fini protests that he joined the neo-fascists (he later started calling them "postfascist") because in Italy's long post-war convalescent struggle, now over, there was no other way of being an anti-Communist. Besides, he was

> nist schoolmates. You have grown up with political violence, I said. "No, that's not right. I've never had problems with the law, personally no. I had, like all young Italians who weren't allied with the Left, some problems, especially at university.

There was no centrist youth movement at the unversity. The only demonstrations were organised by the neo-fascist party. This is another Italian paradox.'

It was hard, he said, for the English to understand why the Italian right had for 50 years been seen as a continuation of fascism, which was, after all, an Italian creation. This was the "F" factor. The "C" factor - the largest communist party in the west - had sustained a

fascist opposition. With the death of communism, fascism was redundant.

"Antifascism in Italy was the way in which communism sought to present itself as respectable," he said. "Today we have finally arrived at a left and a right much more like the other countries of Europe."

Fini's manifesto priorities are constitutional reform and economic revival. The National Alliance wants to create a presidential rather than parliamentary form of government, mod-(The US version was considered and rejected.) This, said Fini, would guarantee stability notably lacking in post-war Italy, and would provide strong

mechanisms of control.

The economic revival would depend on a free market but with strong social institutions and continued state support for the south (where many Alliance voters live).

The Alliance represents what it calls the "social right", a term difficult to understand outside Italy. When I suggested as some Italian commentators have - that Fini is actually to the left of Berlusconi's Forza Italia party, he ridiculed it. "It's not true, because the Italian right is not anti-social. I coni is leader of the centre. "I often say that in Italy there has only been one war, the war of words. It is a war which confuses things a lot.

"Both Zhirinovsky [the Rus-

sian nationalist} and Haider [the Austrian] call themselves liberal democrats, I am verv. very different from them. Or people say I want to form a Thatcherite Conservative party. But you can't transfer from country to country. "In an epoch where there are

no more ideologies, one can't think that the English model will work for Italy. This kind of reasoning only works under ideologies. Communists and fascists in the UK or Italy or Germany can be the same. Some choose to see Fini as a

plausible opportunist rather than a genuine convert. He and his aide-de-camp laughed in dishelief when I mentioned it. "This question is prejudiced, sectarian." said Fini.

So what is your deeper motivation? Power? serves the interests of my peo-

ple, of the Italians." Not to eradicate socialism? "Certainly, that is good for the people. But it is the consequence, not the motive."

As They Say in Europe / James Morgan

Trapped on a train to nowhere

ast week we saw how the British and the French view each Tunnel. This week, we see how the Channel tunnel has opened some eyes to what one might call underlying realities. Steen Estvad Petersen, a Dane, took from Paris to London and wrote in Weekendavisen that the two ends of the railway "You are welcomed at the

Gare du Nord by half-asleen bag people who are about to put their sleeping bags and paper bags together. The con-trast between them and the Balmain-clad passengers is a bit of a shock."

At Waterloo, there was a similar shock. "Like a king you are escorted to the taxi cabs. And right outside the station are the people who live in cardboard boxes. When we in the rich world can create such technology as Eurostar and the tunnel, when we can overcome the economic and cultural differences of hundreds of years on both sides of the Channel, how can it be that we cannot help those in acute need?" This, the Dane

in France and Britain it is not. The Danes are good at solving human problems but technolone of the lowest levels of spending on research and development in the world and exists on the basis of low-tech industries which are well plugged into niche markets.

problems, however, nothing is beyond the Danes. How do you deal with psychopaths on new housing estates? What do you do if Granny Jensen is suicid-ally depressed? You get the unemployed to look after them and, since about one in seven of the population is out of work and paid enormous sums

to be so, the scheme works. France, of course, pays great attention to such problems. Low wages are pushed up through the minimum wage. Unemployed people get quite a good deal. So unemployment is high and if you have never had a job, you will never get one. The French have developed a whole vocabulary to deal with the situation.

the "excluded" are to be found among Estvad Petersen's bag people at the Gare du Nord.

The Roman Catholic bishop of Evreux threw himself into the fray on behalf of this group – and was sacked last month. He also campaigned for condoms, largely for the fight against Aids, which was enough on its own to gain papal disapproval. Newspaper

When it comes to social problems, nothing is beyond the Danes

polls show these problems dominate French minds.

The French call their present gloom morosité, Britons scarcely have a phrase for theirs: "Lack of the feel-good factor" is a clumsy summing up in a society which has little feel for abstract concepts except for "sovereignty". In fact, the British are like

the French but bad at express-

ing themselves. In a survey in the annual publication Social Trends published in January, a poll appeared showing what happened when people were asked whether they agreed with such statements as: "The government should spend more on social security bene-fits for the poor even if it leads to higher taxes." Just over half said Yes, 20 per cent No. The same pattern was revealed when it was suggested that many people who get social security benefits do not really deserve any help. Twice as

many disagreed as agreed. Shortly before the 1992 elecshortly leader the 1992 elec-tion, the head of one of Britain's leading public poll-ing organisations said Labour had run a "brilliant campaign". It had targeted the main topic worrying the elec-torate – the health service, in this case. "The British are incredibly generous," said the opinion expert. "Every time we ask them if they would spend another penny in

income tax on welfare, they always say 'Yes'." You could, he concluded, run them up to a marginal rate of £1.15 in the pound. The rest, as they say, is history.

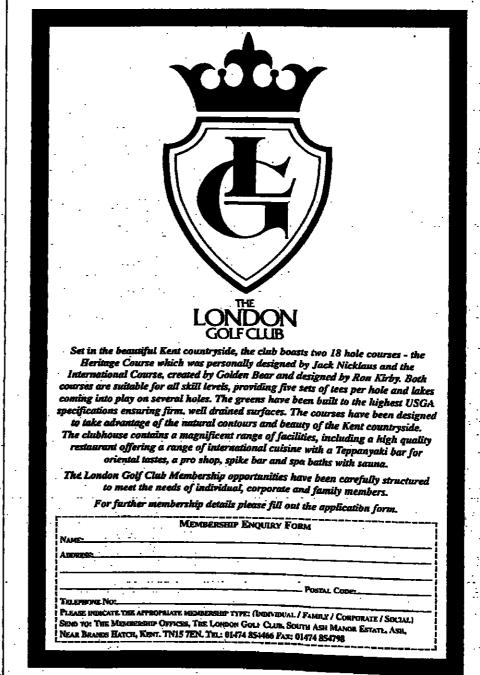
never ask questions like: "If I were to ask you how you would vote, would you lie?"
Do they not know it takes guts
to say welfare beneficiaries that it is not worth increasing taxes to pay them more? No one likes to see bag peo-

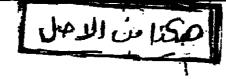
ple at both ends of the Eurostar track. The British and the French say it worries them but shame we cannot all do what the Danes do: forget about world-class technology, produce basics like butter and bacon, and run profitable ships round the Skagerrak. Then tax everybody like mad and you have a land without Porsches or bag ladies.

I called the ministry of foreign affairs in Copenhagen, just after 3pm in London, 4pm there. "There is nobody here," said a voice. "The office is open from nine until four." "What happens if somebody

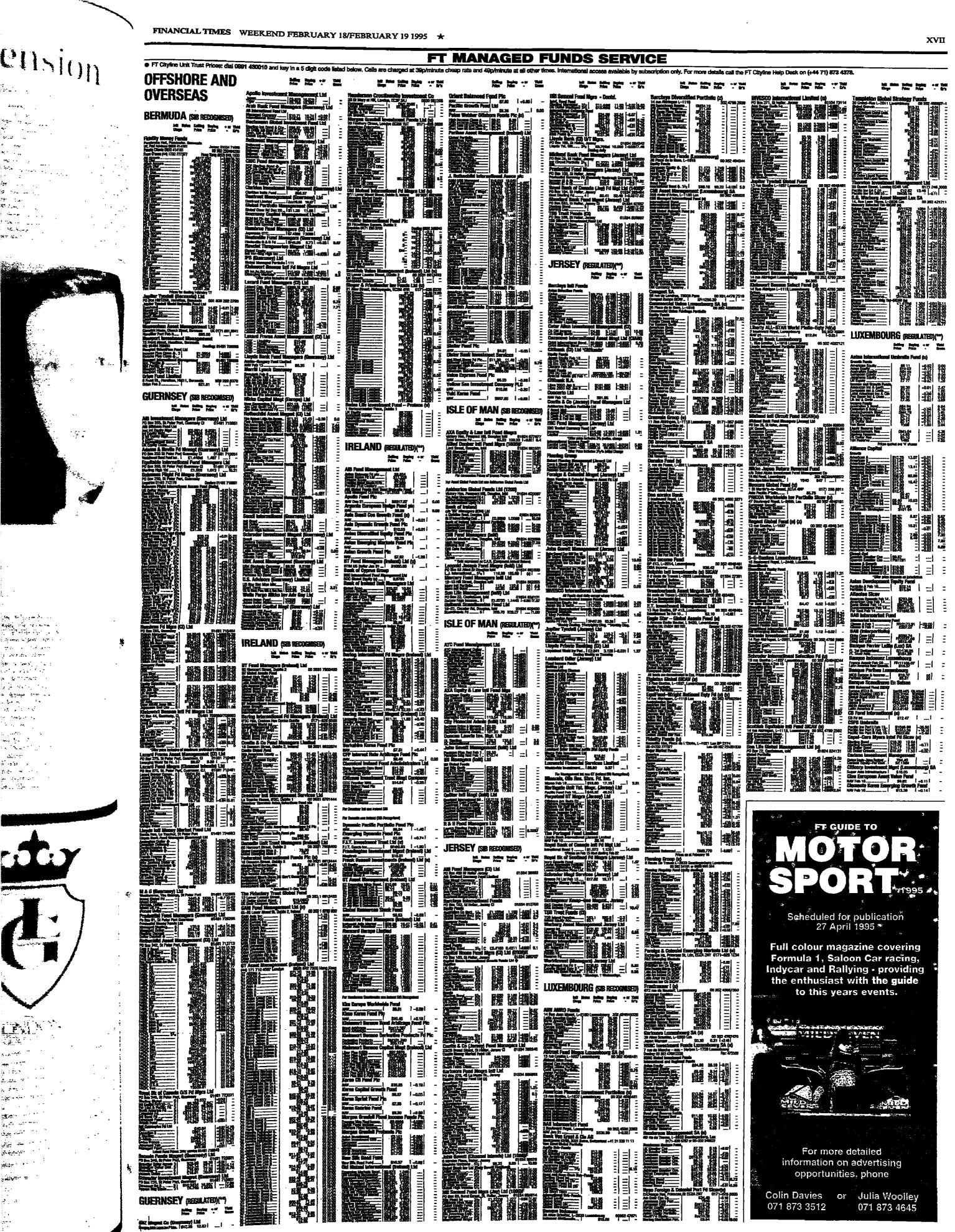
attacks you?" "They will find no one

Another problem solved. ■ James Morgan is economics correspondent of the BBC World





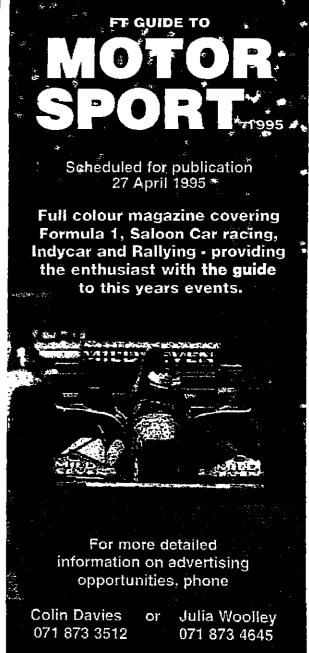




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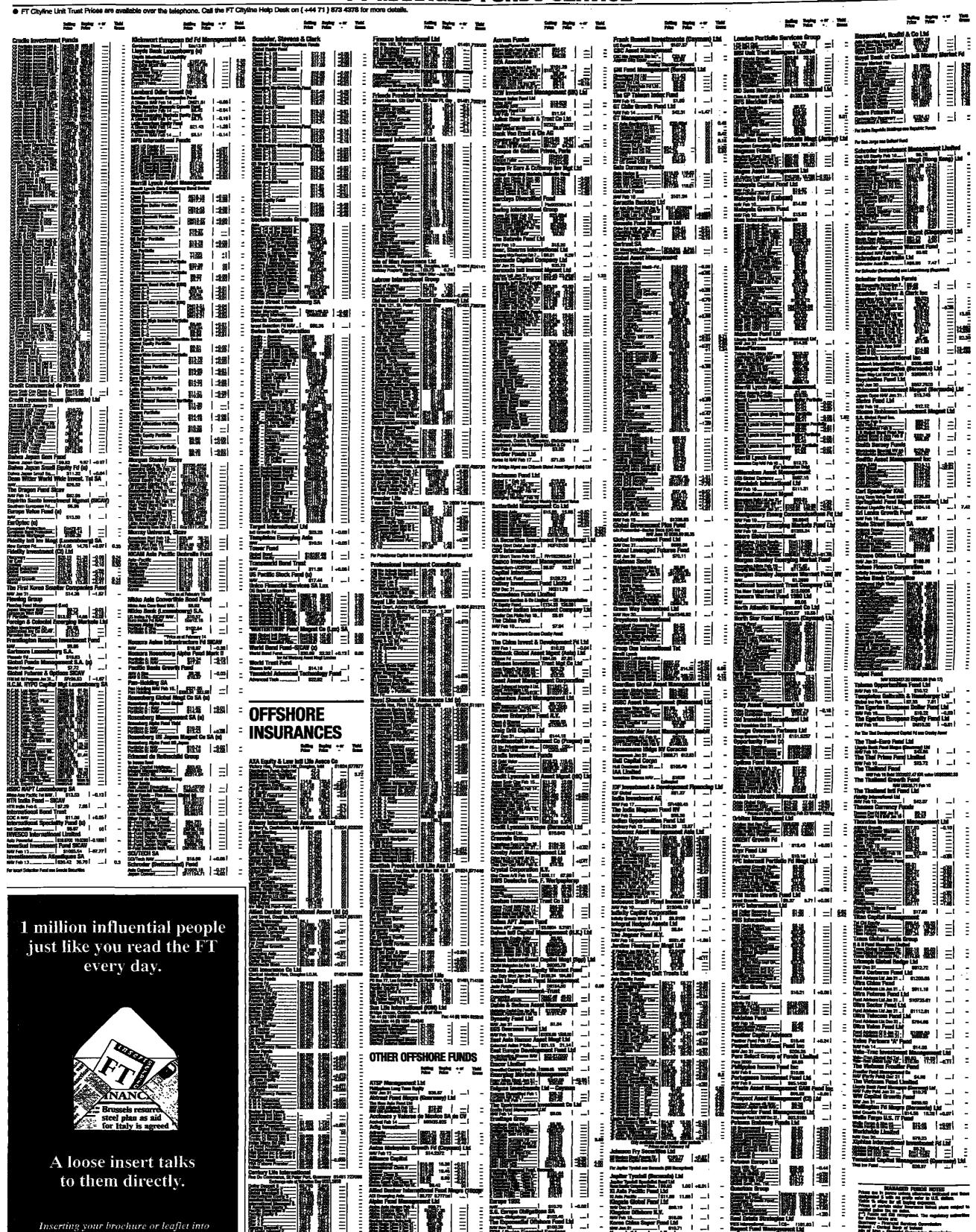
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WEEKEND INVESTOR

Directors' dealings

Taxing reasons

alone.

SelecTV, the independent television producer, was in the news recently after it was announced that MAI had bought a 4 per cent stake, writes Vivien MacDonald of The Inside Track

Anthony Charles, an executive director, has now sold 260,000 shares at 20,75p. The sale is understood to have been for tax purposes.

The shares have retreated significantly since their high point 12 months ago when they stood just below 40p, Present forecasts sugg earnings per share of 0.5p for the year to the end of March

☐ Shares in BCE Holdings, a leisure group, have risen strongly over the past two

years and have outperformed the market by 120 per cent over the past 12 months

Barry Adams has sold a total of 1m at prices ranging from 13.78p to 14.5p, reducing his holding to approximately 4.6m

In spite of the strong share

price, BCE has made losses in the past two years. Duying by Norman Stoller, chairman of Seton Healthcare, comes only six months after he sold 165,000 shares, along with a further five directors. His

latest purchase of 50,000 was

made at 335p. Final results, due in May, are expected to show a rise in earnings per share of approximately 10p.

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New issues

Albright & Wilson, the UK's fifth largest chemical group, came to the market this week at the surprisingly low price of 150p a share, write David Blackwell and Peggy Hollinger. The offer price values the group at \$470.3m - well below the £600m that US parent Tenneco was hoping to get.

Up to 15 per cent of the 15.675m shares on offer are available to investors under a clawback arrangement to meet retail demand. Applications must be in before 3pm next Friday, and dealings begin on

March 8. The feeling in the City is that Tenneco urged sponsor Barclays de Zoete Wedd to make absolutely certain the float went ahead. It is thought the offer could have been got away at 165p a share. At 150p. A&W is on a prospective sarnings multiple of 10 – well below comparable companies such as Laporte and Allied Colloids, at about 13 times.

A&W makes specialist ingredients for household goods and foods, including Coca-Cola and Sainsbury's own-brand washing powders. The prospectus, published on Thursday, estimates operating profits for the year to December 25 at £62.7m and earnings at 15.5p before exceptional items. After charging more than £20m for rationalisation, environmental costs and exchange rate losses in Mexico, pre-tax profits are forecast at £40.7m and earnings

The prospectus is available from BZW at Ebbgate House, 2 Swan Lane, London EC4R 2HT, or telephone 0800-800 400.

☐ The government this week announced further incentives for private investors in its £4bn sale of National Power and PowerGen shares. Individual shareholders will pay 170p in the first of three instalments on National Power shares, and 185p for PowerGen, against 180p and 195p for institutions.

This brings the total discount for those private investors who registered through share shops before February 14 to either 35p on the first 800 shares, or 10p on the first 1,200 and 80 bonus shares. Applications for shares in the public offer must be received by March 1. ☐ GET Group, a supplier and distributor of electrical cables flexes and accessories, defied the tough market conditions to raise £5.7m through a placing that was two-times subscribed The group is issuing 4.58m new shares at 125p, representing 29 per cent of the enlarged equity capital. This gives it a market value of £20.6m at a p/e of 11,

prospectus. ☐ Dailywin, the Hong Kong-based watch-maker seeking a listing in London, blamed market conditions for its decision on Wednesday to put its £5m placing back to the middle of next week. It had been due to publish its prospectus yesterday. ☐ Eurovein, a specialist engineering company floated in November, saw its shares

according to Wednesday's

fall by more than a third on Monday when it gave a profits warning. Delayed equipment sales could lead to sales falling £3m below the level expected at flotation.

European Colour is to raise E4.4m via a 3 for 11 at 57p rights issue of 8.27m wheres istional Homes Loans is to raise 250.3m via a rights lesue of 47.9m styres and a Unit Group is to crise 21.19m vie a 2 for 7 et 39p rights issue of 3.05m shares. Wyko is to raise 27.85m vie a 1 for 2 et 52p rights issue of 16.1m shares.

Offers for sale, placings & introductions

Agrocat Ventures is coming to the pastest and mising \$10m. Expre Group is coming to the market via a placing and offer GET Group is to raise E5.7m via its ilcitation, issuing 4.58m shares at 125p. General Cable is to raise £200-250m via its flotation. Montanaro Impediment Managers is to raise \$25-50m via the piscing of the Montanaro UK Smaller Co's investment Trust. co is to raise 2520m vie a placing of 15.7m Albright & Wilson shares

Last week's preliminary results

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■ Gilt issues - best value v tax status

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In the Pink

Why we should welcome inequality as a good thing

Brian Reading argues that our society cannot operate without a significant gap between rich and poor

editor of The Economist and special adviser to former prime minister Edward Heath. He is a director of Lombard Street Research. His book, The Fourth Reich, will be published in May

plendid news: the rich in Britain are getting richer without the poor getting poorer. The gap between the two, according to a report sponsored by the Joseph Rowntree Foundation, is widening further and faster in the UK than in any other industrial country. Inequality is greater today than at any time since the

It is hardly surprising that the report's authors - earnest worthies from industry, journalism, trades unions and charities - regard growing inequality as a bad thing. It has coincided with the rise in drug abuse, crime, political extremism, social unrest and the breakdown of the family.

But surely the late Professor (later Lord) Nicholas Kaldor, in his Cambridge inaugural lecture (so long ago I forget when) exploded the myth of post hoc, ergo propter hoc. Money in circulation, he observed, always rose in mid-December and must, therefore, cause Christmas.

Unthinkingly, today's worthies simply followed the long-hallowed Rowntree tradition of bemoaning poverty. Seebohn Rowntree, in his report "Poverty, a Study of Town Life" (1901), shocked his contemporaries by showing that 27 per cent of the population of York lived in poverty and on the brink of economic

"This contrasted markedly," noted historian H.C.G. Matthew, "with the flamboyant 'plutocratic' living of some members of the court and aristocracy." (Oxford Illustrated

Brian Reading was economics History of Britain). Plus ça workers into dark, satanic

Inequality is a good thing. Indeed, as that noted politician William Gladstone maintained in the 1860s, the economy might well need "an

enormous mass of paupers" to operate efficiently. union leader the first robot welder. "When our factory is The fact that the poor have filled with these, they won't join your union," said the boss. "No," replied the trade become absolutely no poorer these past 20 years is a bril-

liant achievement in the teeth unionist, "and they won't buy of a technological revolution which has destroyed millions Times have changed. Mass

The rich must be able, with payment for an hour or two of their own work, to afford to buy a week's work from others. They should be encouraged to do so

of manual and clerical jobs. But their poverty has become relatively worse. This breeds envy - quite rightly where wealth is obtained unfairly or enjoyed selfishly and conspicuously.

Captains of industry who, sleazily, award one another unmerited fat incomes and options at pensioners' expense (pension funds are major shareholders in most large public companies), are only doing legally what Robert Maxwell, the late publishing

tycoon, did illegally. Perhaps the German system of supervisory boards, where half the members represent employees, is worth introducing in the UK to arbitrate on top executives' pay. Income equality was an

ephemeral necessity associated with the industrial revolution. It had no place in preindustrial agrarian society and has no place in post-industrial service society

When the industrial revolution crowded mass-employed industrial employment in advanced economies is a thing of the past. Semi-skilled workers in the UK will never reach European living standards doing repetitive jobs that machines or Asians can do

mills, mass incomes were needed to provide mass mar-

kets for mass-produced prod-

An old story tells of a motor

taxpayers afford to support them in comfort. Joe Rogaly, writing in the Weekend FT last week, commented that the Rowntree report's most devastating conclusion was that "during the 1980s, the poorest one-fifth of Britain's population got nothing out of economic growth". He did not mention that they

better and cheaper. Nor can

contributed next to nothing to Unemployment enforced early retirement deprived millions of Britons of the chance to make a contribution to real growth. Rising unemployment is the most potent cause of poverty, both for the individual and for the nation. Growing income

inequality, like the social mal-

aise blamed on it, is itself a

symptom of rising unemployment. But it can also contrib ute to the cure.

A hair-dryer made with cheap labour in China sells for less in London than one made with dear labour in Durham but nobody would go to Bei jing for a hair-cut. Personal service gets no competition

from foreigners or machines. Britain's problem is not the contraction of industrial employment so much as the failure of service employment to expand sufficiently to take up the slack. Come back, but-

ler and maid, all is forgiven. And how come we are wor ried by both unemploymen and an ageing population? The former means too few jobs, the latter too few work ers. Rising health care spend ing is devoutly to be desired and it is highly labour-inten

Income inequality is essen tial for the successful operation of a service society. The rich must be able, with pay ment for an hour or two o their own work, to afford to buy a week's work from others. They should be encour-

Impose a 10 per cent sur charge on taxable incomes over £100,000, but make money spent on personal ser-vice deductible in full. There would be a good deal of cheat ing, but who cares? The extra tax would not be intended to raise revenue but to redistrib ute income relatively pain

Perhaps public spirited billionaires might go and build cathedrals (or, better still, universities). And remember an old rhyme:

Lord Finchley fixed the elec-It struck him dead and served him right.

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Weekend

Wall Street

Caught by the spell of the numbers game

Indices hit record highs but dealers eye the magic 4,000, says Maggie Urry

under spell of the Jones Industrial Average and the broader S&P 500 indices hit record highs during the week, beating those set, respectively, on January 31 and February 2 last year just before the Federal Reserve began to tighten

The question then was whether the Dow could crack 4,000. It nearly got there on Wednesday, reaching 3997.95 before falling back in the afterand perhaps fright at its veriginous position.

Such a question, however, is usually a sign that a market is feeling over-extended. One that is rising strongly takes little notice of supposedly important round numbers and can break through with barely a gasp for

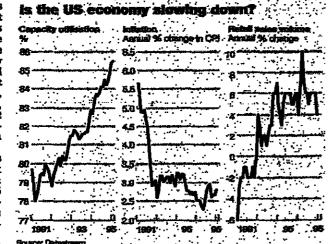
When indices approach such levels and then fall back or struggle above a round number, only to slip back shortly afterwards, it is more often a sign that the market needs a

The more important question is whether the equity market deserves to be regaining highs set when short-term interest rates were 3 per cent, instead of the 6 per cent to which the Fed has pushed them over the past year, and the long bond vield was 6% per cent, compared with more than 7% per cent now. Certainly, the stock market is taking a bullish view on the prospects for a "soft landing" - the idea that the US economy, which was growing at an annual rate of 4.5 per cent at the end of last year, will soon slow down to the 2.5 per cent thought to be consistent with keeping inflation within check.

The optimists believe that the Fed has done just enough, in the form of interest rate increases, to achieve that without either tipping the economy into recession or letting the economy run too fast and stoke

These bulls take heart from the plethora of economic statistics released over the past few days which seem to show that the economy is slowing while

inflation is not rising too fast. The first significant statistic was the retail sales figure for January. It was a weak number for December's retail sales which sparked a rally in shares



last month; and although December's number was showed an 0.2 per cent rise in retail sales, these figures were still considered weak enough to indicate a slowing economy. Those statistics were released on Toesday, the day the S&P 500 set its record. But there was much more good news on Wednesday when the consumer price index, capacity utilisation and industrial production figures were published. Taken together, these also were seen as supporting the

buil case - and that day the Dow hit the heights, too. Could it be that the Fed need not raise rates again at all. as the market seems to be saying This rosy view is what David Shulman, strategist at Salomon Brothers, calls the Goldilocks economy.

Shulman is perhaps the Daddy Bear of Wall Street at present, but he is persuasive in arguing that there will be some bad economic statistics coming. Inflation will increase as wage and price increases come through, he says, and he points to corporate earnings as evidence that the economy is still

He cites Hewlett-Packard the computer and electronics group, which on Thursday reported unexpectedly good profits for the three months to the end of January. These showed a gain in net income of 64 per cent and the shares rose \$10%, an increase of nearly 10

per cent, on the day.
Other companies are indicating that 1995 has started well. he says, suggesting that the economy is not slowing as much as hoped. As a result, he expects the Fed to increase

If short-term rates do not to

rise significantly further, the bond and stock markets will

liquidity which has triggered

past bear markets at times of

This story does not stand up

examination, however. Dollar

about 6 per cent, are not at all

January is likely to mark only

towards the year-end. Inflation

short-term interest rates, at

high by past standards. Any

a brief pause after the surge

sharply, I always ignore the

claims that investors have changed their views. Of

tautology that, if the price

changed, the economic and

reflected implicitly in those

prices have also shifted. For

instance, if bond yields fall,

escape the tightness of

economic overheating.

to the most superficial

economic slow-down in

has begun to pick up. When markets move

course, it is a matter of

level of securities has

financial assumptions

rates again, although perhaps not until the May committee Jeffrey Applegate, strategist at CS First Boston, is not as bearish as Shulman but still sees significant risks in the

equity market's present level. Yes, he agrees, the economy is slowing. But is it now slow enough for the Fed? No, he says. "The Fed will continue to tighten until it sees the whites of the eves of this slowdown." he asserts, and he believes it will be the third quarter before GDP growth slips back to the desired 2 to 21/2 per cent rate. None of the statistics published over the past few days change his view.

Applegate suggests that for the market to hold above the 4,000 level, the slowdown would have to be at hand with inflation under control, corpo-rate profits still rising strongly and no more tightening from the Fed. These four would seem to be incompatible, though. If the slowdown is here, for instance, profit growth must weaken.

But the market likes to have it both ways. It should have ased by apparent evidence of the desired slowdown when Motorola warned yesterday that slower sales of mobile telephones had left it with stocks much higher than they

Instead, it cut Motorola's shares immediately by 10 per

Dow 40	nes ind	
Monday Eucaday	8,954.21	£15.14
Wedneeds	y 3,988,17 8,987,52	(27.92
Fildey		

Footsie loses its footing again

Philip Coggan explains why yet another rally has died

but it did not last very long. Lest week's rally, which took the FT-SE 100 Index above 3,100, petered out this week and even an all-time high on Wall Street failed to stem the tide.

The market seems doomed to meander in a trading range of around 2,950-3,150. As soon as good news carries it close to the top of the range, investors find something to worry about and drive the index down. This week, it was sterling that caused the wobbles. The nound seems to have been weakening ever since the en Mother was a schoolgiri and this week it slipped one more rung on its long-term

trend towards parity with the To be fair, the latest decline probably owes as much to the strength of the D-Mark as to weakness of the pound. The Mexican crisis has made investors pervous and look for safe havens for their money.

■ Highlights of the week

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the bill for Mexico's problems, the D-Mark, rather than the dollar, is playing the safe haven role.

European currencies in general are struggling against a resurgent D-Mark, the Italian lira fell to all-time lows this week. Sterling beld up rela-tively well in January, but the recent crisis over Ulster has provoked fears over the health of the governme

Nevertheless, the weakness can be exaggerated. As the graph below shows, sterling has lost less than 2 per cent on a trade-weighted basis since the start of the year.

ness is a mixed blessing. In theory, it makes life easier for British exporters (as happened after Black Wednesday) and thus improves the corporate

earnings outlook.
But if the government reacts rates, shares will obviously suffer. And this week some analysts were speculating on a unpopularity of the governcing the authorities to raise rates, making the government

tle to help the gilt market. ary was helped by the strengt of gilts, with the yield on the benchmark 10 year issue drep-ping to 8.56 per cent by February 7, compared with 8.8 per cent at the start of 1995. But since then, yields have risen to 8.63 per cent:

ratio - the relationship between bond and equity ing the value of the stock market. At around 2.1, the ratio is not at the peak of its range, but nor is it at a level (generally thought to be below 2) where shares look chean.:

mic statistics gave little help to the market. The rise in the annual rate of retail inflation in January to 3.8 per cent was

DTI go-sheed for Trafs. bid



price index was actually unchanged between December and January.

More alarming was Monday's announcement of a sharp rise in manufacturers' fuel and raw naterial costs. Such costs rose by 11.5 per cent in the year to January, the biggest annual se for 10 years.

The implications are not good for equities. Either manufacturers pass on these costs, in which case inflation will rise and the authorities will be forced to push up interest rates. Or manufacturers try to absorb the higher costs, which means lower profit margins and bad news for abare prices. By yesterday's close, all these worries had forced Footsie down to 8,844.2, 2.1 per cent lower on the week and 0.7 per cent below its level at the start

of the year. But perhaps the answer for private investors is to forget the big picture and concentrate on the individual stocks, where it is still possible to earn bum-

per profits.
For these many private investors who are heavily exposed to the utilities because privatisations, this may

Tuesday's announcement by Michael Heseltine, trade and industry secretary, that he would not refer Trafalgar House's bid for Northern Klectric to the Monopolies and Mergers Commission, caused a sharp rally in electricity and

The electricity sector jumped 3.4 per cent on Tuesday, although it lost some of the ground in the rest of the week as the speculators took profits. Some in the market were warn- ing to help sentiment.

ing that, if the expected wave of follow-up bids does not happen, the sector could be vulner

The coming week could provide a stern test for the market in other ways, since the results son starts in earnest, with the likes of Unilever, British Gas, ICI and Shell. So far this year, there have been some disappointing results or trading statements, such as from Vodafone and inchcape, but none from companies which investors might regard as bellwether stocks.

A strong earnings performance from some of the titans of UK industry might help. But traders will probably focus not so much on last year's numbers as on the forward-looking statements from chairmen.

This column has introduced a dividend index to gauge the state corporate sentiment. So far, so good. The four week average of the index, compiled by subtracting falling payouts from rising ones and expressing the result as a nercen at 59.4 per cent, where it was at the end of January.

However, one sector where sentiment is not healthy is building materials - shares in three Footsie stocks in the sector, Blue Circle, Caradon and Woiseley, fell 7, 8.2 and 10 per cent respectively this week. According to Robin Hardy of

Panmure Gordon, the continned weakness of the construction sector has depressed for building materials companies to raise prices. A profits warning from Norcros, the building materials, printing and packaging group, did noth-



Barry Riley

Don't believe in miracles

Sterling's stutter exposes flaws in the sovereignty debate

ever believe in markets in the UK woke up to some of the economic and political risks this week, and sterling suffered an embarrassing bout of nerves even as Treasury ministers went on television of raising short-term interest rates steadily, the US Federal Reserve has now almost with soundbites about an ideal pattern of economic growth. achieved its aim of slowing Across the Atlantic the economy. Already, there is tentative evidence, as in the however, the US markets surged ahead until midweek, latest industrial output figures for January, that activity could be decelerating.

still evidently failing to come to terms with underlying realities. Yesterday, however, the dollar also came under fire. The Dow hit an all-time high on Wednesday, cocking a snook at the many international bears of US eguities, myself included although UK institutional investors, according to Smith New Court's Gallup poll, are now less pessimistic about Wall Street than in January).

Market analysts have been playing with many fancy, even weird, theories to justify the rise in the Dow. There is the view that what Wall Street does in January will set the pattern for the year as a whole (it rose, especially according to the broader indices): that history shows the Dow always rises when the year ends in "5"; and that equities always climb in the penultimate year of a presidential term.

But elaborate justifications are not needed. The recent strength of equities has been prompted by the fall in bond

ylelds, with the 10-year US Treasury yield down from 7.9 inflation expectations can be said to have moderated. In the short run, however, this can to under 7.5 per cent this year. be very deceptive: it is flows of If you read the market reports, you will get the money that drive markets, not the other way round. following explanation of the So, where on earth has the new money come from, when strength of bonds. After a year

normal cyclical theory would indicate that rising savings deposit rates should be Foreigners

have begun to worry about political stability in the UK

draining financial resources from the bond and stock markets? The obvious place to look is Mexico.

President Clinton's \$50bu-plus package has amounted to a huge ball-out of US investors who were lured. especially, into the Mexican one-year tesebonos. The bulk of the rescue money will now go into redeeming \$28hn of tesebonos as they fall due during 1995. Most of this capital is, presumably, fleeing as fast as it can break free and, through use of futures, maybe even faster than that into the safety of the US

domestic markets. All of this supposes that the

rescue package will hold together. It seems that about \$10hn, mainly from the IMF, has been paid over already -but the rest is far from being guaranteed. If you are brave enough to invest in Cetes, the peso-denominated short-term paper, the interest rate rose to

40 per cent this week. So much for confidence and The Mexican saga is far from over. Now it seems that confidence is ebbing rapidly in the US's other neighbour, Canada. Again, the US dollar securities markets look

temporarily like safe havens, but the whole dollar bloc is being weakened. In the UK, the economic figures seem to be telling a similar story to that in the US - a slow-down in the economy but an acceleration in inflation – but the market reaction has been quite different. Plainly, the money has been flowing not in but out. Those foreigners (and

maybe some natives, too) have begun to worry about political There are contradictions here. Are the markets worried commitment to a single European currency? Or is it the possibility that the government will collapse and be replaced by a financially administration? But Labour would be more likely to sign

up for monetary union - and,

the economic line. At any rate, it could not follow policies any more ruinous than those of, say, France or Belgium. The cop-out here is the old observation that markets simply hate uncertainty.

What the recent weakn

sterling has served to do, though, is to highlight the bogus nature of much of the monetary sovereignty debate There was little sovereignty in the gold standard and, after the beggar-my-neighbour period of the 1930s, not much more in the Brettons Woods em. Since that broke down early in the 1970s, at last allowing the full expression of monetary sovereignty, sterling has been devalued by 40 per cent against the dollar, 70 per cent against the D-Mark and 80 per cent against the

Going it alone requires the payment of a big risk premium, especially in nsettled times: in a month, the interest rate differential between 10-year UK and German gove has widened from 0.97 to 1.21. percentage points. The British government's perception of monetary sovereignty amounts to much the same thing as its creditors'

perception of risk. Britain's national financial credentials have, of course, heen subject to far-reaching reform. But total reform would indeed be a miracle.

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